



LEAD SUCCEED EXCEED

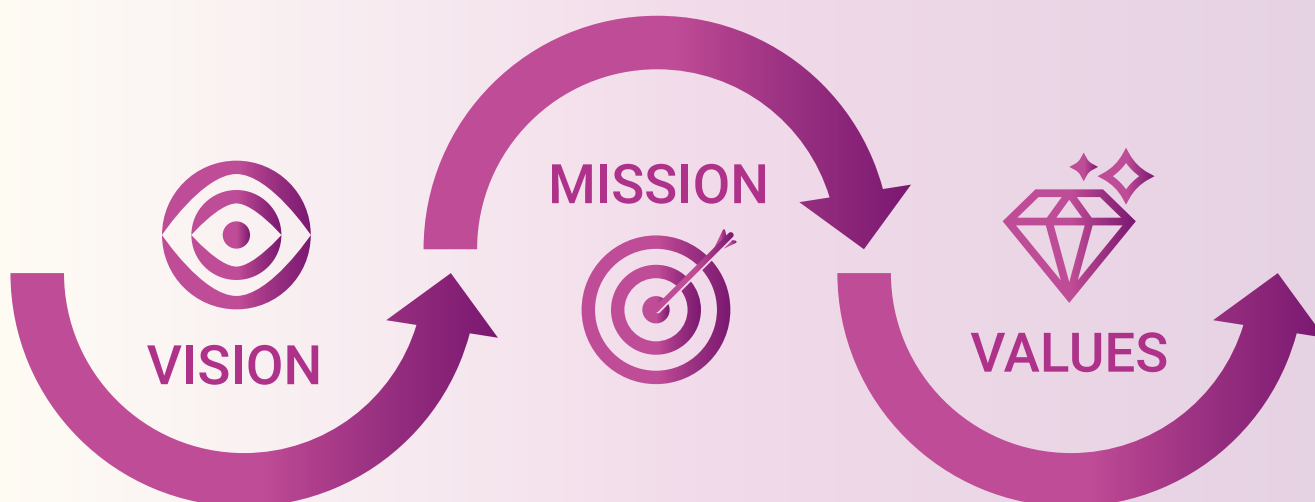


LEAD SUCCEED EXCEED

Amidst the economic downturn and the after-effects of the COVID-19 pandemic, unprecedented inflation and social unrest, Abans PLC has not only persevered but thrived, epitomised by the tagline 'Lead Succeed Exceed'. Despite the challenges faced by the industry, the company's innovative approach and unwavering commitment to excellence have enabled it to outperform the competition and emerge as a leader in the market. By setting its sight on success, constantly exceeding expectations, and taking the lead in the face of adversity, the company has demonstrated the resilience and determination necessary to overcome even the toughest of challenges.

VISION, MISSION, AND VALUES

We at Abans, through our products and services; empower people to a better way to life by empowering them to make better choices, while protecting the environment for a better tomorrow.



To keep empowering people with a better way to life.

Visionary

Seeing the bigger picture backed by entrepreneurial, risk-taker attitude while protecting your lifestyle.

Relentless

Unwavering determination for progression.

Empowering

As an employer, as a business partner, as a socially responsible group we empower people to enhance their lives.

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UNWAVERING COMMITMENT TO GIVE A BETTER LIFE TO ALL SRI LANKANS

As the dust settles on a crippling pandemic of global proportions, Abans is geared to help the nation rebuild through its intrinsic resilience. Abans' resilience has been a key factor in its ability to emerge from crises stronger than ever before. Abans was able to come out strong through a crushing economic crisis and social instability owing to its unrelenting resilience. But, transitions are never easy. Take it from Abans PLC which has gone through many transitions. Abans traces its humble beginnings to a time much similar to today.

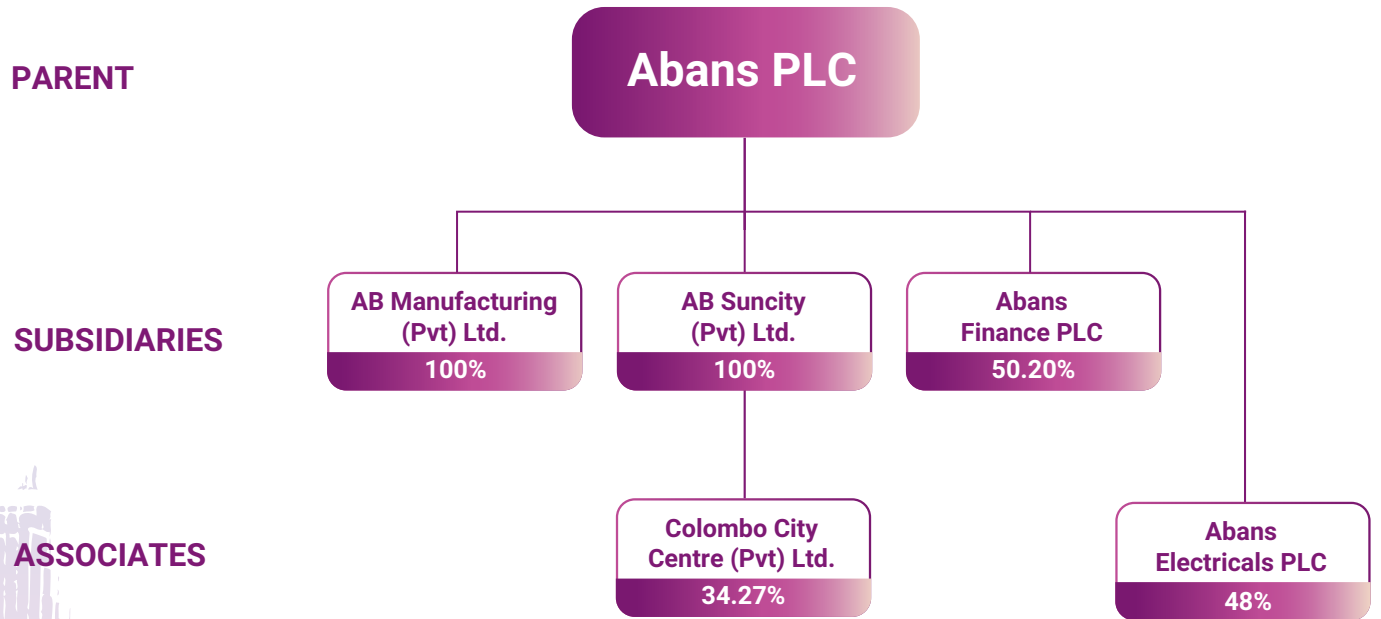
In the late 1960s, a closed economy with no imports led Mrs. Aban Pestonjee, a young housewife and mother of three, to start her entrepreneurial journey. Recognizing the difficulties faced by Sri Lankan homemakers, Mrs. Pestonjee purchased appliances from embassy auctions and resold them at affordable prices from her corner shop in Bambalapitiya. With a few appliances set aside for spare parts, she also opened a repair shop in her garage, which marked the beginnings of the Abans' legacy.

As Sri Lankan economy opened up to imports, Abans entered the market with world-renowned brands, such as Electrolux, Hoover, and Russell Hobbs. Abans introduced Korean brands such as Lucky Gold Star, now known as LG Electronics, to the Sri Lankan market. LG has since become one of the country's most popular home appliances and electronics brands. Over the years, Abans expanded its business into six verticals, including retail, services, finance, logistics, manufacturing, real estate and hospitality, establishing 400 showrooms across the country.

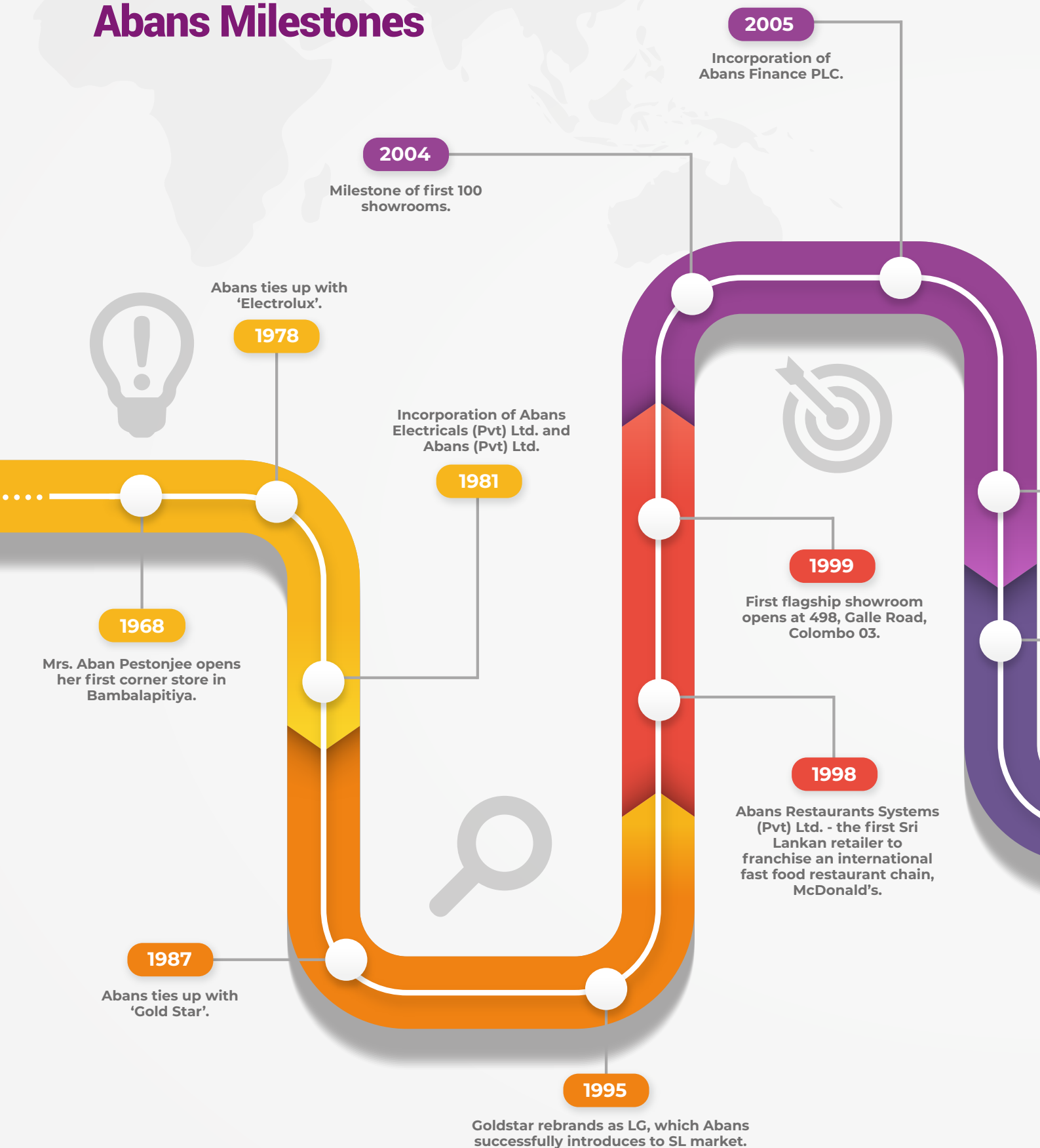
Despite the civil war and economic uncertainty of the 80s and 90s, Abans continued to navigate with prowess, and the second generation joining the business allowed it to diversify into other ventures, including the establishment of Sri Lanka's first international mall, Colombo City Centre. Today, Abans has become a transformative force in Sri Lankan Households, and the brand name has won the hearts and minds of all Sri Lankans with its world-class convenience. Guided by strong values, Abans has enriched the lifestyles of all Sri Lankans.

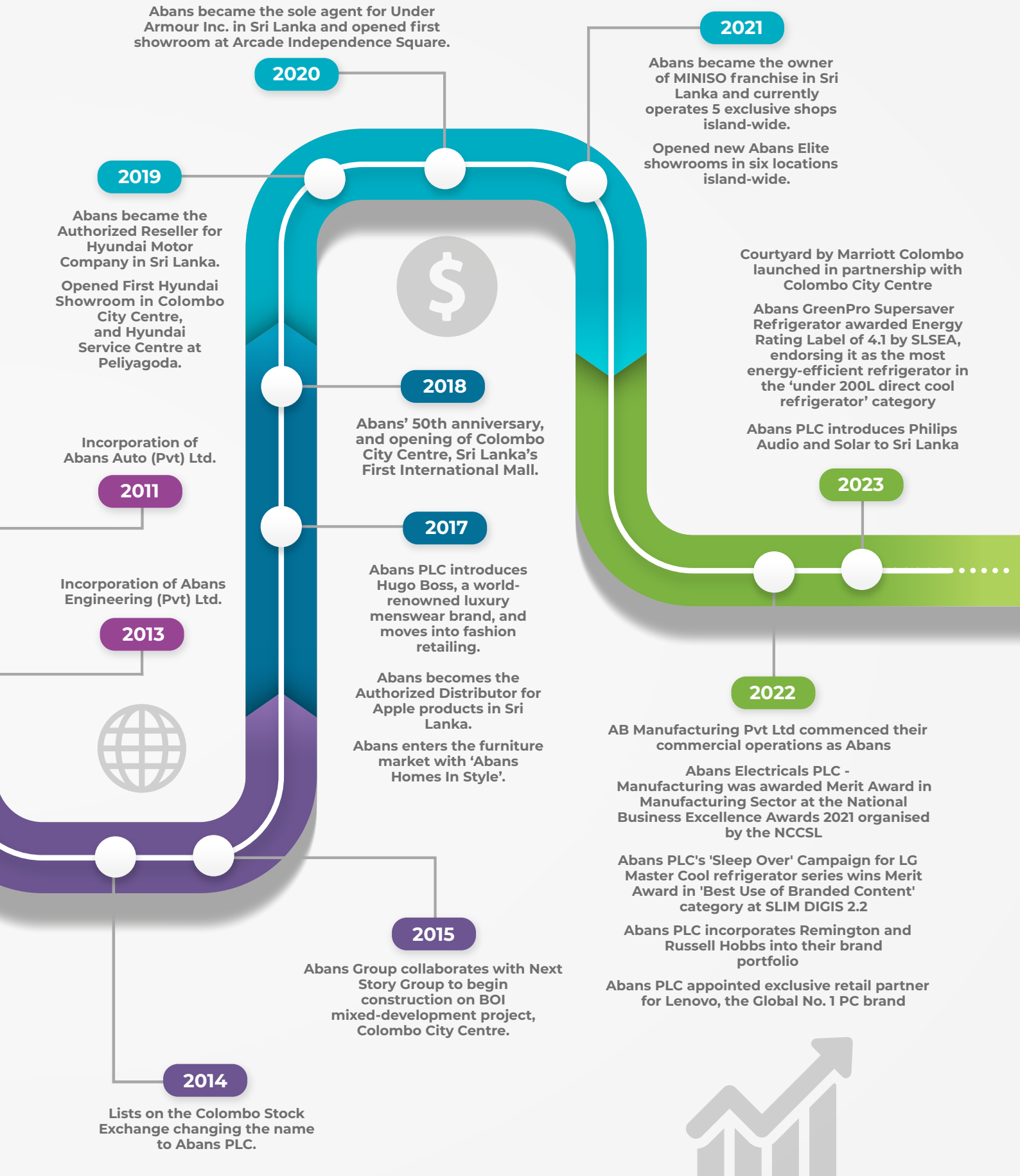
Ownership/Group Structure

Abans Group



Abans Milestones





Financial Highlights - Group

		2022/23	2021/22	Change %	2020/21
Earning Highlights					
Revenue	LKR	35,599,593,779	44,916,275,728	-20.7%	37,805,391,199
Gross Profit	LKR	14,771,900,168	12,942,479,998	14.1%	9,926,726,632
Result From Operating Activities	LKR	5,482,666,915	4,406,482,010	24.4%	3,111,047,539
Profit Before Income Tax & VAT	LKR	4,502,259,903	3,956,533,579	13.8%	2,549,957,067
Profit After Tax	LKR	3,489,875,881	3,770,039,934	-7.4%	1,985,681,186
Profit Attributable to Owners of the Parent	LKR	3,313,125,773	3,553,483,257	-6.8%	1,841,267,407
Dividends*	LKR	1,710,404,554	159,985,700	969.1%	374,224,950
Gross Profit Margin	%	41.5	28.8	44.1%	26.3
Operating Profit Margin	%	15.4	9.8	57.1%	8.2
Net Profit Margin	%	9.8	8.4	16.7%	5.3
Earnings Per Share (from Continuing operations)	LKR	1.57	1.37	14.6%	0.83
Return on Capital Employed (ROCE)	%	20.1	19.3	4.1%	23.0
Interest Cover	No. of times	2.2	7.1	-69.0%	4.2

*Out of profits of : FY20/21- Rs.333,195,692 | FY21/22- Rs.1,044,013,169 | FY22/23- Rs.333,195,692

		2022/23	2021/22	Change %	2020/21
Financial Position Highlights					
Total Assets	LKR	41,185,241,002	42,309,066,492	-2.7%	33,034,706,189
Total Borrowing	LKR	11,545,043,487	8,430,758,638	36.9%	4,366,037,510
Current Assets	LKR	29,899,024,835	31,259,790,492	-4.4%	22,820,152,137
Current Liability	LKR	21,442,003,455	22,204,314,911	-3.4%	18,377,344,696
Equity Attributable to Equity Holders of the Parents	LKR	14,258,950,022	13,151,662,446	8.4%	9,732,659,789
Total Equity	LKR	15,735,931,355	14,368,002,702	9.5%	10,734,032,961
Debt to Equity Ratio	%	73.4	58.7	25.0%	40.7
Debt/(Debt+Equity) Ratio	%	42.3	37.0	14.3%	28.9
Equity Asset Ratio	%	38.2	34.0	12.4%	32.5
Net Assets per Share	LKR	7.1	6.5	9.2%	4.8
Current Ratio	No. of times	1.4	1.4	0.0%	1.2



MESSAGE FROM THE CHAIRPERSON



“ While FY22/23 was an incredibly difficult year, it was also a time when we fully realized the extent of our Company’s cohesion, resilience, and capacity for change and improvement. The Board understood its main objective: maintaining the wellness of our employees, clients, business partners, and communities in order to realize the vision that is the foundation of Abans’ existence and that empowers and enables a “**better way to life.**” ”

Dear Stakeholder,

I am pleased to present the Annual Report of Abans PLC for the financial year 2022/23 which provides an insight into the Group's strategies and performance depicting our commitment towards all our stakeholders to timely and transparent financial reporting.

Amidst government policy changes affecting imports and adverse macro-economic factors hindering consumer demand, Abans continued its legacy to "Lead, Succeed, Exceed" yet again in financial year 22/23. The theme of our Annual Report 'Lead, Succeed, Exceed' aptly signifies our entrepreneurial pursuits, which have been to Lead the market through continuous Succession, and in so doing Exceed the expectations of our stakeholders.

While FY22/23 was an incredibly difficult year, it was also a time when we fully realized the extent of our Company's cohesion, resilience, and capacity for change and improvement. The Board understood its main objective: maintaining the wellness of our employees, clients, business partners, and communities in order to realize the vision that is the foundation of Abans' existence and that empowers and enables a "better way to life."

Operating Environment

Sri Lanka experienced its worst-ever economic and political crisis in 2022. Beginning in March 2022, the nation's slide toward anarchy quickened. The casualties' extended power outages, long lines, and shortages of necessities failed to appease the Community.

Many vulnerably positioned Sri Lankans were pushed into poverty by a cost-of-living squeeze that saw Sri Lanka rank among the top five nations with the greatest food price inflation throughout much of 2022. As employment and income losses indicate the country's descent into a protracted recession, poverty is expected to worsen.

The GDP growth declined from 3.3 in 2021 to -8.7 in 2022, and according to the most recent projections, the economy would shrink by 3% to 4% in 2023.

With few policy choices, Sri Lanka is banking on an IMF bailout to facilitate access to bilateral and multilateral financial support to get the economy back on track. The approved four-year, US\$3 billion IMF Program possesses the capacity to spur participation from other government lenders, private investors, and creditors. However, the adjustment costs would be front-loaded due to the normal IMF policy prescription, which mandates strict financial discipline, prohibiting the government from spending its way out of the recession. As a result, taxes are increased, and spending is decreased.

The Sri Lankan Rupee declined sharply against the US Dollar by almost 45% in 2022 which affected our cost of sales and margins as our products are predominantly imported. The retail activity in the nation undoubtedly decreased in the year under review. A modest rebound is expected the following year, showing both pent-up demand and better moods in light of the supportive monetary and fiscal policy posture. The Central Bank's continuous financial sector oversight and adoption of appropriate regulatory measures along with effective communication ensured financial system stability amidst severe socio-economic distress. Given the heightened concerns about increased utility expenses, customers also demonstrated an increased demand for cost-efficient home appliances, placing a higher value on attributes such as sustainability and endurance.

Abans' long-term success is linked to our ability to manage all our principal risks, including critical sustainability issues. It is with much pride that I announce Abans PLC won Merit Award at SLIM DIGIS 2.2, in the 'Best Use of Branded Content' category for its 'Sleep Over' Campaign, executed through the agency ADA Digital Singapore Pte Ltd (Branch Office) for the LG Master Cool refrigerator series.

Nevertheless, Abans Electricals PLC also, won a Merit Award in the Manufacturing Sector at the National Business Excellence Awards 2021 organized by the National Chamber of Commerce of Sri Lanka.

Strategy and Performance

The Group recorded a turnover of Rs.35.6Bn for the year ended 31st March 2023. Despite a 20.7% decrease in our total turnover, the Group recorded a profit before tax of Rs.4.5 Bn compared to Rs.3.9 Bn in the previous year. The Group recorded a Profit After Tax of Rs.3.5Bn for the financial year under review compared to Rs.3Bn Last Year.

During the year under review we, as a group contributed Rs. 1.2Bn by way of taxes to the state, distributed Rs. 2.1Bn to our employees as employee remuneration and Rs.25Bn by way of payments to our suppliers and business partners. Earnings per share of the Group stood at Rs.1.57 compared to Rs.1.37 last year. Net Assets per share at the end of 2022/23 was Rs.7.08. Abans PLC's credit rating has been reaffirmed as AA- by Fitch Ratings Lanka.

The year 2022/23 marked yet another milestone as Colombo City Centre, inaugurated Courtyard by Marriott, part of Marriott Bonvoy's extraordinary portfolio of 30 brands. This is yet another new venture to introduce a Courtyard on par with international standards in Sri Lanka to accommodate people to spend time and enjoy. This will undoubtedly be an iconic landmark in the City of Colombo.

To meet the rising demand of Sri Lankans' sophisticated and developing lifestyles, we have introduced new brands and items during the course of the year. Despite the fact that economic restrictions/ adversities have increased the price of our products, we believe that the inclusion of appliances—driven by consumer demand for high-end technology—will significantly boost Abans' development prospects.

Sustainable Value Creation

With every community we engage, we try to work in a spirit of cooperation and mutual gain. Throughout the fiscal year under review, we kept up our efforts to raise educational standards, provide opportunities for decent employment, and promote responsible consumerism in the communities we work with. We hope to implement the best HR practices and instill the values of Abans into our team of employees. We have implemented many adjustments during the year to make Abans a better place to work and more interesting, such as expanding training and career development initiatives, modernizing our performance evaluations and focusing on talent development. Within Abans, we have identified critical positions for which we are developing succession planning and providing career development assistance. With all of these HR activities, we aspire to strengthen Abans' reputation as a Great Place to Work and be a preferred employer in the industry.

Prospect

Sri Lanka is moving forward. We can anticipate growth possibilities throughout the medium to long term, notwithstanding the sluggish growth in some years, like the year under review, and possibly difficult circumstances caused by disruptions in economic activity. Internet and mobile usage are growing among Sri Lankans. This movement is being driven by youngsters. We intend to capture this trend to market our products to this tech-savvy target base. The forecast for the Sri Lankan retail sector is also very bright, which bodes well for Abans. At this pivotal juncture in Abans PLC's history, I picture a day when the Abans brand would expand, seizing possibilities in the market and internal strengths with more powerful, effective, and affordable internal systems. Our ongoing efforts to improve our human capital will undoubtedly aid in our future growth by fostering a more dedicated, motivated, and engaged team. Over the past 55 years, we have been innovating at every level of our corporate journey. That is a legacy we must not forget. Let us resolve to be ahead of time going forward into the future.

Acknowledgement

At this point, I would want to take this occasion to express my gratitude to Abans customers who have supported us from the beginning. Every day, we work hard to provide dependable quality items, a large selection, and of course, value for money.

I would like to bring to your attention that we are deeply saddened by the untimely demise of Abans' Managing Director Mr. Behman Pestonjee (Tito), and I take this opportunity to extend my heartiest gratitude for his devotion, contribution and hard work to build up the legacy of Abans throughout these years. Tito was instrumental in expertly navigating the rapid expansion of operations and leading Abans Group of Companies on a monumental journey of success upon success over the years, an active role in nurturing the future leadership of the Group, guiding them in person and sharing his invaluable experience to ensure that the future of the organization would be in good hands. He was always openhandedly thoughtful about the staff and benefitting them while expanding the portfolio of the company. Abans remains strong and resilient. With a solid foundation and capable leadership in place, we are committed to continuing our operations with unwavering dedication and excellence. Together, we will carry forward Tito's legacy, embodying his values and aspirations.

At the same time, I would like to congratulate Mr. Rusi Pestonjee, who was appointed as Abans' new Managing Director on 21st June 2023

I wish to place on record my deep appreciation for the invaluable contribution of the Managing Director Behman Pestonjee, Directors Saroshi Dubash, Rusi Pestonjee, Chandrika Perera, Rajaratnam Selvaskandan & Dinesh Weerakkody towards the Group. Further, I thank the senior leadership team of Abans as well. ***"I truly appreciate your commitment to making Abans go from strength to strength and look forward to working with you in the future".***

Without our staff, we would not have advanced as far. They serve as the company's foundation. We try to establish

a close relationship with each employee and treat them as part of the Abans Family. I want to express my gratitude to all of our principals, including LG, for their dedication and role as long-term partners in our success.

Lastly, I thank our capital providers for their ongoing faith in us. Each year, we will continue to soar higher, demonstrating their wisdom.

Sincerely,



Aban Pestonjee
Chairperson

26th June 2023



MANAGING DIRECTOR'S REVIEW OF PERFORMANCE



“ Despite these turbulence and complex challenges, the Abans team remained strong and resilient, relying on their agility to adapt to unprecedented uncertainty. Against this backdrop I’m happy to report that Abans was able to overperform by implementing cost-effective strategies, streamlining operations, maintaining a lean structure, and adopting an astute expansion plan, we were devoted to realizing our vision. ”

Dear Stakeholder,

Sri Lanka is currently facing its worst-ever crisis post-independence. A series of events such as the easter bombing, excessive money printing, tax cuts, debt accumulations, the COVID-19 Pandemic, the Russian-Ukrainian war, and Political Instability led to what we witness as Currency depreciation, hyperinflation & livelihood devastation. The country lost access to international markets and failed to respond to the emerging challenges and thereby it was plunged into an unprecedented economic crisis with multiple implications across all sectors of the economy.

Strengthening fiscal and debt sustainability along with much-needed structural reforms are critical to emerge from the current crisis and enhancing long-term growth prospects.

"Despite these turbulence and complex challenges, the Abans team remained strong and resilient, relying on their agility to adapt to unprecedented uncertainty. Against this backdrop I'm happy to report that Abans was able to overperform by implementing cost-effective strategies, streamlining operations, maintaining a lean structure, and adopting an astute expansion plan. We were devoted to realizing our vision."

I am thereby, pleased to present the Annual Report and the Financial Statements for the financial year ended 31 March 2023. I trust our Report will provide you with an in-depth understanding of the Group's value creation process and the strategies set in place to manage the diverse portfolio of businesses, toward driving sustainable growth.

Performance Overview

Amidst all of this, Abans marked 55 years of empowering communities since its early beginnings in 1968. The spirit of partnership, that has guided us for over 50 years, remains the cornerstone of our approach. Regardless of the pandemonium on the market, the Group was able to record a stable performance by reaching

Rs. 35.59Bn in Turnover for 2022/23. As we continue to gain market share, we ended the year with a GP of Rs.14.7Bn against Rs. 12.9Bn Last year with a GP Margin of 41.5% which is 14.1% higher than FY 2021/22 and an impressive Rs.4.5Bn in Profit Before Tax for the fiscal year 2022/23 along with a PBT margin of 12.6% compared to 8.8% during 2021/22. The outcome reflects the power of our brand portfolio, our ability to manage our route to market, and the perfection of our execution in the markets.

Progression Highlights

The company's success has been attributed to its ongoing focus on client propositions through innovation and new product developments. Reputable brands such as Remington & Russell Hobbs were added to Abans PLC's brand portfolio during the year under review. Philips Audio and Solar were also introduced to the Sri Lankan market.

In the IT brands sector, we are positioned as the "Nation's Laptop Provider" with our continued exclusive partnerships with major global IT brands including HP, Lenovo & Acer. Our IT product portfolio was further enhanced by the introduction of our very own Abans brand smartboards, commercial kiosks and monitors.

With Lenovo's designation as Retail Partner, the No.1 PC Brand in the World, we strengthened our market position in relation to major ICT brands. We are also the official re-seller and national distributor for OPPO, a fiercely competitive and feature-rich Chinese mobile phone brand. Additionally, Abans has been selected as the national distributor for open and retail markets in Sri Lanka by ITEL and Motorola mobile phone brands, as well as being chosen as the retail partner by Tecno Mobile Brand for selling their mobile phones through Abans' showrooms and corporate channel. These exclusive retailing rights have positioned Abans as the strongest ICT & mobile products retailer in the country and have dramatically increased our future revenue potential while linking us directly to global

cutting-edge technology evolutions.

In a timely initiative, amidst stringent import restrictions, AB Manufacturing (Pvt) Ltd which is a fully owned subsidiary of Abans PLC, announced the opening of a new production plant in Bandaragama. According to the government's commitment to promoting local manufacturing, our manufacturing facility's goal is to provide items of high international standards at reasonable rates. The state-of-the-art facility possesses the capacity to manufacture a significant amount of refrigerator units in accordance with the local demand. The facility's launch, which came soon after a pandemic, economic hardship, and social instability, was a significant accomplishment for AB Manufacturing & Abans Group as a whole.

The grand opening of the Courtyard by Marriott Colombo marked the culmination of Colombo City Centre (Pvt) Ltd which is an associate of Abans PLC. This was the first ever Courtyard to be opened in Sri Lanka, situated in the heart of the country's commercial center. The amenities assure efficacy, comfort, and an international experience to the different types of travelers accommodated on their visit. With the recovery of tourism in Sri Lanka, we foresee a great opportunity for strategic growth in line with our vision.

This effectively illustrates our emphasis on strategic expansions as well as pertinent bolt-on portfolio enhancements. Even through challenging times, the shareholders, employees, and members of our communities continued to have faith in us, and I am extremely optimistic about the future of the company and its employees.

Forward Outlook

Our subsequent time ahead is envisioned on heightening the core strengths of Abans, provoking deliverables that surpass the expectations of our stakeholders.

Abans will broaden its product portfolio while expanding the fashion, footwear, and cosmetic range further. We are looking

forward to increasing our portfolio of locally manufactured Home Appliances. Along with consistently improving our Omni channel strategy for seamless online and offline operations, we are also digitalizing our business to provide seamless delivery and customer support.

The E-commerce platform has been redesigned to offer users the highest comfort and upcoming technical improvements. The business is concentrating on a number of strategic initiatives, including growing its product offerings in the e-commerce market, extending credit card payment options, improving delivery times, and developing easy and secure payment gateways. We will place emphasis on digital products as the demand for laptops and mobile phones increased due to work-from-home trends that continue to grow.

With a brand muscle of 100+, Abans continues to lead the market with partnerships with the world's best-known retail brands and will continue to forge and pursue new relationships to provide customers in Sri Lanka with a truly global experience at their doorstep.

Sustainability

As a responsible corporate citizen, we keep pushing for improvements in our operations' energy efficiency, waste reduction, and total carbon footprint reduction.

In line with Abans PLC vision of empowering customers to **"a better way to life"**, we have continuously expanded our energy-efficient appliances & electronics throughout the year such as Inverter Air Conditioners & Refrigerators with Eco-friendly and energy saving R32 & R600 Refrigerants respectively, Washing Machines & Microwave Ovens with Inverter energy saving technology, Solar systems that reduces carbon footprint. These products proved to be beneficial, particularly in light of the rising cost of electricity for consumers. The reduction in energy consumption will benefit the country, saving electricity generation costs.

By receiving an Energy Rating Label of 4.1 from SLSEA, the Abans GreenPro Supersaver Refrigerator was recognized as the most energy-efficient refrigerator in the "under 200L direct cool refrigerator" category.

As an environmentally and socially responsible organization, all E-waste disposal is done through our sister company CleanTech Pvt Ltd, who systematically disposes E-waste without harming our environment. LG Abans continued to invest on our ambitious project called the "Project Green Isle" through which a forest cover is expected to be rebuilt in the Bellanwila - Attidiya Bird Sanctuary. Abans expects to restore the ecological value of this sanctuary which is home to over 150 bird species, and 20 species of mammals including many endemic and endangered species such as the subspecies of the Purple-faced Leaf Monkey. This 5-year Project, (launched in 2019) will be funded through the proceeds of the LG R32 Air Conditioner – Sri Lanka's first Green Inverter Air Conditioners with Wi-Fi technology.

Acknowledgement

I would like to express my sincere gratitude to the management and employees of Abans PLC and its subsidiaries for working tirelessly to maintain the company's success despite the numerous challenges encountered throughout the year. The strategic decisions have been greatly aided by the Chairperson and the other directors. Additionally, I want to thank our valued clients and all other stakeholders involved, such as brand owners and dealers, with whom we anticipate a bright future.

Sincerely,



Behman Pestonjee
Managing Director until 17th June 2023

25th May 2023

BOARD OF DIRECTORS



Aban Pestonjee
Chairperson



Behman Pestonjee (Tito)
Managing Director
until 17th June 2023



Saroshi Dubash
Executive Director



Rusi Pestonjee
Managing Director
with effect from 21st June 2023



Chandrika Perera
Executive Director



Rajaratnam Selvaskandan
Independent Non-Executive Director



Dinesh Weerakkody
Independent Non-Executive Director

Board of Directors and Profiles

Aban Pestonjee **Chairperson**

Aban Pestonjee is a dynamic and accomplished business leader with over four decades of experience in the business world. Mrs. Pestonjee's vision, leadership and entrepreneurial spirit have been instrumental in driving the growth and success of Abans Group. She is an embodiment of the company's ethos of 'identifying a need and fulfilling it'. Mrs. Pestonjee's passion, drive and courage as a South Asian woman in a male-dominated business world have served as an inspiration to subsequent generations of Sri Lankan businesswomen.

The repertoire of accolades received by Mrs. Pestonjee are the Global Strategy Leadership Award presented at the World Strategy Summit; Award of Excellence for Women Achievers for Outstanding Achievements, presented by the SAARC Women's Association and the Bronze Award, under the large business category at the Women Entrepreneur of the Year awards by the Women's Chamber of Industry and Commerce, both in the year 2000; KOTRA Plaque of Appreciation presented in 2005, for forging strategic foreign economic ties between Korea and Sri Lanka; Leading Woman Entrepreneur of the World Award presented by the Princess of Thailand in 2006; Woman Entrepreneur of the Year Award by the Women's Chamber of Industry and Commerce at the Woman Entrepreneur of the Year 2017 Awards as well as the Gold Award in the Extra Large Business Enterprise Category and Sri Lanka's Entrepreneur of the Year Award at the Derana Sri Lankan of the Year Awards 2017.

In 2021 she was recognized as one of Sri Lanka's most admired leaders at the Most Admired Companies Awards, organised by the International Chamber of Commerce Sri Lanka and the Chartered Institute of Management Accountants. Mrs. Pestonjee has been interviewed by The Harvard Business School, and the transcript of the interview is held in the school's Baker Library, available to students for research and case studies.

Mrs. Pestonjee also holds directorships at Abans Electricals PLC, Abans Retail Holdings (Pvt) Ltd, Abans Environmental Services (Pvt) Ltd, Abans Land (Pvt) Ltd, Abans Construction and Engineering (Pvt) Ltd, Abans Lanka (Pvt) Ltd, Abans Tourist Hotel (Pvt) Ltd, ABS Gardner Dixon Hall International (Pvt) Ltd, Abans Investments (Pvt) Ltd, Abans Marketing (Pvt) Ltd, Crown City Developers (Pvt) Ltd, Abans Auto (Pvt) Ltd, Abans Engineering (Pvt) Ltd and Colombo City Centre Partners (Pvt) Ltd.

Behman (Tito) Pestonjee **Managing Director until 17th June 2023**

Qualified as a Marine Engineer, Class 1 (D.O.T. London), Behman Pestonjee has been with Abans PLC since its inception and has played a pivotal role in building the business from the ground up. He oversees most of the critical functions of the organisation, including sourcing, marketing and sales. His dynamic leadership of the operations division has been a key driver of the company's success. Behman Pestonjee is also responsible for managing crucial business partnerships that have helped to expand the Abans retail network from a single store to over 400.

As an inspiring leader, Behman Pestonjee has a unique management style based on pragmatism and execution. He is known for his strong work ethic, strategic vision, people-oriented leadership style and is widely respected for his business acumen, leadership skills, and commitment to driving positive change in the industry. He is passionate about building a strong and dynamic team, empowering his employees to achieve their full potential, through fostering a culture of innovation and excellence.

Behman Pestonjee's extensive experience and expertise have earned him several directorships at key Abans Group subsidiaries, including Abans Electricals PLC, Abans Retail Holdings (Pvt) Ltd, Abans Environmental Services (Pvt) Ltd, Abans Land (Pvt) Ltd, Abans Construction and Engineering (Pvt) Ltd, ABS Gardner Dixon Hall International (Pvt) Ltd, Abans Investments (Pvt) Ltd, Abans Marketing (Pvt) Ltd, Colombo City Centre Partners (Pvt) Ltd, Crown City Developers (Pvt) Ltd, Sirius Technologies (Pvt) Ltd, Abans Auto (Pvt) Ltd, Abans Office Automation (Pvt) Ltd and Abans Engineering (Pvt) Ltd.

Dr. Saroshi Dubash **Executive Director**

Dr. Saroshi Dubash is responsible for overseeing various aspects of the supply chain functions, such as import purchasing, wharf clearance, warehousing, inventory control, distribution and information systems. In addition, she also manages the finance, human resources, training and internal audit departments.

Currently, Dr. Dubash serves as the Managing Director of Abans Logistics (Pvt) Ltd, a fully-fledged logistics company that specialises in freight, transport, warehousing, distribution, container yards and other logistics operations. She is also a Director of several other Abans Group companies, including Colombo City Centre Partners (Pvt) Ltd, Abans Retail Holdings (Pvt) Ltd, Abans International (Pvt) Ltd, Abans Engineering (Pvt) Ltd, Abans Land (Pvt) Ltd, Abans Investments (Pvt) Ltd, Abans Marketing (Pvt) Ltd and Crown City Developers (Pvt) Ltd.

Dr. Dubash is highly involved in the business community and has held several leadership positions. Previously, she served as the Chairperson of the Women's Chamber of Industry and Commerce and was also a representative on the Ceylon Chamber of Commerce Board. Additionally, she is a member of Women in Logistics and Transport (WILAT) and serves as a committee member of the Australian New Zealand Business Committee and the Canadian Business Committee. Dr. Dubash is also a member of Sri Lanka Institute of Directors (SLID) and the Women Corporate Directors (WCD), which is a global organisation for women directors. She is an accomplished professional with a PhD in Philosophy, an MBA (US), and an BSc honours degree in Chemistry (London).

Rusi Pestonjee **Managing Director with effect from 21st June 2023**

Rusi Pestonjee is an alumnus of the Executive Management programmes at the prestigious Indian School of Business, focusing on developing strategies and managing family businesses. With his exceptional skills in fostering relationships with important international partners, he has played an integral role in fortifying the Abans Group's global standing. Moreover, his visionary leadership has led to the successful implementation of several strategic growth initiatives across the Group.

Rusi Pestonjee holds various directorships within the Abans Group of Companies, including Colombo City Centre Partners (Pvt) Ltd, Abans Finance PLC, Abans International (Pvt) Ltd, Abans Retail Holdings (Pvt) Ltd, Abans Environmental Services (Pvt) Ltd, Abans Land (Pvt) Ltd, Crown City Developers (Pvt) Ltd, International Restaurant Systems (Pvt) Ltd, ABS Courier (Pvt) Ltd, Abans Investments (Pvt) Ltd and AB Real-Estate (Pvt) Ltd. Through his astute guidance and unwavering commitment, Rusi Pestonjee has helped drive the Abans Group's phenomenal growth and success.

Chandrika Perera **Executive Director**

Chandrika Perera was appointed to Abans PLC Board as an Executive Director - Finance in June 2020, and currently holds the position of Chief Financial Officer for the Abans Group of companies. Before joining Abans, she was an Executive Vice President for the Leisure Sector (Cinnamon Hotels & Resorts) of the John Keells Group. Additionally, she served as the Group Financial Controller for John Keells Holdings PLC.

Chandrika Perera's experience extends to several other listed and private companies, including Keells Food Products PLC, Kandy Walk Inn Pvt Ltd, Habarana Walk Inn Pvt Ltd, Keells Developments Pvt Ltd, Keells Agro Products Ltd, Keells Restaurants Pvt Ltd and Keells Consultancy Pvt Ltd. She has served on various committees in ICASL, including the financial reporting committee, Taxation Committee and Statutory Accounting Standards Committee.

A fellow member of the Institute of Chartered Accountants of Sri Lanka and the Society of Certified Management Accountants of Sri Lanka, Chandrika Perera holds a Master's in Business Administration with a specialisation in Finance from the University of Queensland. Her extensive background in finance and experience in various committees demonstrate her expertise and leadership in the field.

Rajaratnam Selvaskandan**Independent Non-Executive Director**

Rajaratnam Selvaskandan is an Independent Non-Executive Director at Abans, a position he has held for several years. With more than three decades of experience in legal practice and management, Selvaskandan is a highly accomplished Attorney-at-Law (SL) and Solicitor (England & Wales and Hong Kong). He is an expert in corporate and commercial transactions, mergers and acquisitions, banking and financing matters, investment structuring and project development.

Selvaskandan is a Senior Partner at Varners, a leading law firm in Sri Lanka, where he has served since 2005. He was admitted to the Supreme Court of Sri Lanka as an Attorney-at-Law in 1982 and has since built an impressive career in private practice and public service. He was a State Counsel at the Attorney General's Department in Sri Lanka before serving as a Partner in a renowned law firm in Hong Kong for more than two decades.

In addition to his role at Abans, Selvaskandan is also Director of CT Land Development PLC and serves on the board of several other prominent companies, including the LAUGFS group.

Throughout his career, Selvaskandan has earned a reputation as a leading practitioner in the field of M&As and project development in Sri Lanka. He has acted for a range of international clients and is highly respected for his expertise in legal matters related to business and investment.

As an Independent Non-Executive Director at Abans, Selvaskandan brings a wealth of legal knowledge and business acumen to the board. He is committed to ensuring that the company operates with integrity, transparency and meets the highest standards of corporate governance.

Dinesh Weerakkody**Independent Non-Executive Director**

Dinesh Weerakkody is a well-respected individual who holds several high-level positions in Sri Lanka's business and finance sector. He is currently the Chairman of the International Chamber of Commerce Sri Lanka and Cornucopia Sri Lanka. In the past, he has served as Chairman of several renowned organisations, including Commercial Bank of Ceylon PLC, Hatton National Bank PLC, National Human Resources Development Council of Sri Lanka and the Employees' Trust Fund Board of Sri Lanka.

As a former Director of DFCC Bank, he played a critical role as Chairman of the National Review Committee for the banking sector and the non-banking sector consolidation. He was also appointed to review the budgetary allocation for education. Today, he serves on several private sector boards and is a Council member of the Employers Federation of Ceylon and the Institute of Directors of Sri Lanka.

Weerakkody is an Advisory Board Member of Caritas Sri Lanka - SEDEC, HR Cornucopia India, and the Financial Advisory Committee of Sri Lanka Cricket. He was a member of the CIMA Asia Pacific Industry Advisory Body and a Vice President of the Sri Lanka Tennis Association.

He is a highly qualified professional, holding a Graduate degree in Business Administration, and is a Fellow Member of both the Chartered Institute of Management Accountants (UK) and the Certified Management Accountants (Sri Lanka). He is also a Professional Member of the Singapore Human Resource Institute and an Honorary member of the Institute of Personnel Management of Sri Lanka. He is an International Public Management Association HR Certified Professional from the USA and has an MBA from the University of Leicester, UK.

Weerakkody has received extensive training in leadership, economic finance, HR, and management, having travelled to the UK, USA, France, Japan, Singapore, and India for training. In recognition of his achievements, he was awarded a Jaycees Ten Outstanding Young Persons Award in 1999 and an International Associations of Lions Clubs National Achievers Award in 2008 for the advancement of good governance in the public sector and was conferred National Honors in 2019.

Dinesh Weerakkody is also a prolific business writer, speaker and commentator, demonstrating his expertise and dedication to the industry.

CORPORATE GOVERNANCE

The Board is committed to maintaining the highest standards of corporate governance across all activities of the Company. The purpose of governance is to create long-term sustainable shareholder value through effective and prudent management. The principal duties of the Board include formulating business strategies and overseeing their implementation by the management with proper controls to manage risks. The Board is focused on ensuring that the Company operates in conformity with applicable laws and regulations and that all material operations are subject to effective internal controls and significant risks managed properly.

Framework and Structure

The Board retains effective control through the Board-approved governance framework which provides for delegation of authority with clearly defined mandates and authorities while retaining accountability. The governance framework is reviewed, when necessary, to adapt to internal developments and reflects best practices. Central functions such as Group Finance & Investments division, Human Resources, Group Information Technology, and Group Risk & Control set the guidelines and the framework for a sustainable business operation and report to the board.

INTERNAL GOVERNANCE STRUCTURE	INTEGRATED GOVERNANCE	ASSURANCE MECHANISM	REGULATORY BENCHMARKS
Board of Directors and Senior Management Committees Managing Director/CEO Executing Management Committee Employee Empowerment	Integrated Governance Systems and Procedures Strategy Formulation and Decision-Making Process Human Resource Governance Integrated Risk Management IT Governance Tax Governance Stakeholder Management and Effective Communication	Articles of Association Abans Code of Conduct Board Committee Internal Control Enterprise Risk Management Framework HR Policies	Companies Act No. 7 of 2007 Mandatory Compliance Listing Rules of the Colombo Stock Exchange (CSE) Mandatory compliance Sri Lanka Accounting Standards (LKAS and SLFRS) The Code of Best Practice on Corporate Governance (2017) published by the institute of Chartered Accountants, Sri Lanka (CA Sri Lanka) Voluntary compliance GRI Guidelines on Sustainability Independent Audit

Role of the Chairperson and Managing Director

The role of the Chairperson 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.

Responsibilities of the Board	Chairperson's Responsibilities	Managing Director's Responsibilities
Formulation, implementation and monitoring of business strategy	Ensure that the new Board members are given appropriate induction	Formulate, obtain approvals and implement the Company's strategies and manage the day-to-day operations of the Company
Place effective systems to secure the integrity of information, internal controls, business continuity and risk management	Lead the Board and manage the business of the Board	Develop and recommend budgets to the Board
Compliance with laws, regulations and ethical standards	Approve the agenda for each Board meeting	Continuously monitor and report to the Board on the performance of the Company
Consider the interests of all stakeholders in corporate decisions	Ensure that the Board members receive accurate, timely information to enable them to take clear and sound decisions	Establish an optimum organizational structure which is appropriate for the execution of the Company's strategy
	Ensure regular meetings, the minutes of which are accurately recorded and where appropriate include the individual and collective views of the Directors	Ensure compliance with all applicable legal and regulatory obligations
	Facilitate and encourage discussions among all Directors in decision making	Manage the financial and business risks of the company's operations and identify the potential risks of the company
	Represent the views of the Board to the public	

The Board has appointed three sub-committees to assist it with the performance of its duties. These committees, which include the Audit Committee, Remuneration Committee, Related Party Transaction Committee function within the mandates approved by the Board. The committees have an appropriate balance of skills, expertise, and independence to discharge their responsibilities effectively. The structure and operations of these committees are illustrated in this report.

Board Committee	Composition of Directors	Areas of Oversight
Audit Committee	Dinesh S. Weerakkody Rajaratnam Selvaskandan	Integrity of Financial Statements Risk management Business Ethics Internal Controls Compliance with legal and regulatory requirements External Audit & Internal Audit
Remuneration Committee	Rajaratnam Selvaskandan Dinesh S. Weerakkody	The Company's remuneration philosophy and the principles of its remuneration policy Company's framework of executive remuneration The level and structure of remuneration for Senior Management

Board Committee	Composition of Directors	Areas of Oversight
Related Party Transaction Review Committee	Rajaratnam Selvaskandan Dinesh S. Weerakkody	Related party transaction identification and disclosure Company Policies and procedures on Related Party transaction review Shareholder and Company Interest Optimization

Attendance at Board Meetings

The Board of Directors performs the role of leading the Company primarily through participation in Board meetings and Board Sub-Committee meetings. The Board and the Committees constructively use the time and agenda of these meetings to perform their roles effectively. The attendance of the directors at meetings of the Board and the Sub-committees during the year is detailed below.

Name of the Director	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Related Party Transaction Review Committee Meetings
1. Aban Pestonjee (Non-Executive Director)	4/4	N/A	N/A	N/A
2. Behman Pestonjee (Executive Director until 17 th June 2023)	4/4	N/A	N/A	N/A
3. Rusi Pestonjee (Executive Director)	4/4	N/A	N/A	N/A
4. Saroshi Dubash (Executive Director)	4/4	N/A	N/A	N/A
5. Chandrika Perera (Executive Director)	4/4	N/A	N/A	3/3
6. Rajaratnam Selvaskandan (Independent Non-Executive Director)	4/4	5/5	3/3	3/3
7. Dinesh S. Weerakkody (Independent Non-Executive Director)	4/4	5/5	3/3	3/3

Governance Practices Adopted by Abans

The Board is headed by the Chairperson who is responsible for overseeing the Board and ensuring its effectiveness in all aspects of its role. The Board is collectively responsible for the long-term success of Abans.

The Board consists of Executive Directors, Non-Executive Directors and Independent Directors who contribute different perspectives to its decision-making process. The composition of the Board complies with the Colombo Stock Exchange continuing listing rules.

There is a clear division of responsibilities between the Board and Corporate Management. The Board is responsible for setting the strategic direction and ensuring that the underlying objectives are achieved by the management as per the Board-approved policies and plans.

Code of Best practice on Corporate Governance

We set out below, corporate governance practices adopted and practiced by the Company, the extent of adoption of the code of Best Practice on Corporate Governance issued in 2017 jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities of Exchange Commission of Sri Lanka.

Code Ref	Compliance and Implementations	Compliance
A. Directors		
A.1 An effective Board should direct, lead and control the Company	The profile of the Board is provided on pages 17 to 20.	✓
A.1.1 Frequency of Board Meetings	The Board meets on a quarterly basis and attendance at meetings is given on page 23.	✓
A.1.2 Role & Responsibilities of the Board	Please refer "Responsibilities of the Board" on page 22.	✓
A.1.3 Compliance with laws and access to independent professional advice	A statement of applicable laws and regulations is given on page 21 by the Board of Directors.	✓
A.1.5 Independent judgement	Each Director brings independent judgement to bear on issues that are discussed at the Board and by having meetings of the Board equal opportunity is available for Directors to express their views independently.	✓
A.1.6 Dedicate adequate time and effort	During financial year 2022/23 a total of 4 Board meetings were held by Abans PLC. All Non-Executive Directors have attended a majority of the meetings and have devoted their time adequately. Information pertaining to Director participation levels at Board meeting and Board subcommittee meeting are given on page 23.	✓
A.1.7 Calls for resolutions	Any Director can call for a resolution to be presented to the Board if deemed necessary.	✓
A.1.8 Board induction and training	The Directors are given the opportunity to have sufficient exposure, expertise in their relevant areas to fulfil their duties and responsibilities owing to the Board.	✓
A.2 Chairperson & Managing Director	The roles of the Chairperson and Managing Director are segregated at Abans. The Chairperson'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 MD is responsible for the day-to-day operations of the Company and the Group.	✓
A.3 Chairperson's role in preserving good Corporate Governance	Please refer "Responsibilities of the board" on page 22.	✓

Code Ref	Compliance and Implementations	Compliance
A.4 Availability of financial acumen	The Board is equipped with qualified Directors in the field of Finance and accountancy and possesses the necessary financial wisdom. Board has the privilege of having Directors who possess qualifications in the field of finance and accountancy to obtain advice and guidance. Finance Division is also well equipped in financial capabilities having qualified Chartered Accountants and experienced personnel to support the Board of Directors.	
A.5 Board Balance		
A.5.1 Majority of Non-Executive Directors	There are only two Non-Executive Directors and hence, Executive Directors form the majority of the Board. The Board is reviewing this new requirement at present with a view on compliance with the same.	Under review as it is a new requirement
A.5.2 If only 3 NEDs, they should be independent	The Board is reviewing this new requirement at present with a view to compliance with the same.	Under review as it is a new requirement
A.5.3 Independence of Directors	Both Non-Executive Directors are independent in terms of the criteria defined by CSE rule 7.10.4 on corporate governance, fulfils the minimum guidelines prescribed by the code.	
A.5.4 Signed declarations of independence by the Non-Executive Directors	Each Non-Executive Director of the company has made written submissions as to their independence as per schedule J of the code.	
A.5.5 Determination of independence of the Directors by the Board	Based on the written submissions made by the following Non-Executive Directors as per code, the Board deems the said Directors "Independent" as at 31st March 2023. 1. Mr. Dinesh S. Weerakkody 2. Mr. R. Selvaskandan	
A.5.6 Alternate Directors	Not applicable as no Alternate Director was appointed during 2022/2023	
A.5.7 Senior Independent Director	Chairperson's and Managing Director's roles have been separated w.e.f. 08.07.2014 and therefore no requirement to appoint a Senior Independent Director.	
A.5.8 Confidential discussion with the Senior Independent Director	Please see Code – A.5.7 above.	
A.5.9 Meeting of Non-Executive Directors	No meeting of Non-Executive Directors was held during the period.	
A.5.10 Recording of concerns in Board minutes	Company Secretary records any concerns raised by the Directors during the year in Board minutes with sufficient details.	
A.6 Supply of Information	Agenda together with high-quality information is circulated seven days prior to the Board meeting to discharge the Board obligations effectively as a practice.	
A.6.1 Management's obligation to provide appropriate and timely information	Board receives adequate information from the Management in a timely manner. The Board receives regular reports and presentations on strategies and developments in relation to its business lines and performance.	

Code Ref	Compliance and Implementations	Compliance
A.6.2 Adequate time for effective Board meetings	Executive Directors constantly brief the Board on the functional areas of Revenue, Finance and Recoveries that they oversee. The Board deals with the Managing Director or the heads of those respective departments, on other functional matters, when necessary.	✓
A.7 Appointments to the Board & Re-election	Although the formal Nomination committee is not formed by the Board, new appointments are decided based on the consent of the Chairperson and the Board of Directors, and the final decision is made by the Board.	✓
A.7.1 Appointments to the Board	All new appointments to the Board are considered and recommended by the Board as a whole in an objective and transparent manner	✓
A.7.2 Assessment of Board composition	Board as a whole carried out an annual assessment of Abans PLC Board's Composition to assess the level of skills, experience, qualifications, and knowledge of the Board members to address the growing strategic needs of the Company.	✓
A.7.3 Disclosure of details of new Directors to shareholders	All new Board appointments as it happens are communicated to shareholders via the Colombo Stock Exchange. A summary of the new Director appointed including the qualifications, experiences, names of the companies in which the Director holds directorships, and memberships in Board Sub-Committees are usually given in the Annual Report.	✓
A.8 Directors Re-election	In terms of Article 5.4 of the Articles of Association of the Company, Executive Directors may not, whilst holding that office, be subject to retirement by rotation or taken into account for determining the rotation of retirement of directors. Therefore there are two Non-Executive Directors of the Board who will be eligible for rotation, of whom one will be re-elected at the next Annual General Meeting.	✓
A.8.1 Appointment of Non-Executive Directors	As explained in A.8 above	✓
A.8.2 Election of Directors by the shareholders	As explained in A.8 above	✓
A.9 Appraisal of Board & Committee Performance	The performance of the Board and sub-committee is reviewed and evaluated by the Board and Chairperson on self-appraisal basis.	✓
A.9.1,9.2,9.3 Appraisal of Board Performance	As explained in principle A.9 above.	✓
A.10 Annual Report to disclose specified information regarding directors	Information pertaining to all Abans PLC Directors is made available to the shareholders through the Annual report.	✓
A.10.1 Disclosure of information in respect of Directors	Information pertaining to Directors is provided on pages 17 to 20	✓

Code Ref	Compliance and Implementations	Compliance
A.11 Appraisal of the CEO	The Board of Directors should at least annually assess the performance of the Chief Executive Officer	✓
A.11.1 Target/Goals for the CEO	CEO is entrusted by the Board to conduct day to day operations effectively to attain broad strategic targets/goals.	✓
A.11.2 Evaluation of the performance of the CEO	The performance of the CEO is evaluated in relation to the achievement of business targets.	✓
B. Director's Remuneration		
B.1 Remuneration Procedure	No Director is involved in deciding his or her own remuneration package.	✓
B.1.1 Remuneration Committee	The Board has established a Remuneration Committee authorized to evaluate, assess, decide and recommend to the Board, Executive Director's remuneration as per the Terms and Reference of the Remuneration Committee.	✓
B.1.2 1.3 Composition of the Remuneration Committee	Remuneration Committee comprises all Non-Executive Directors and the Chairman of the Committee is Mr. R Selvaskandan. The report of the Remuneration Committee is given on Page 53 in the annual report. The Remuneration Committee composition and details of meetings held and participation status is given on page 53.	✓
B.1.4 Remuneration of Non-Executive Directors	The Board has the authority on deciding the Non-Executive Directors' remuneration packages which is a collective decision. The Non-Executive Directors are paid a fee for attending Board or other Committee meetings or carrying out other Non-Executive duties based on responsibilities assigned.	✓
B.1.5 Consultation of the Chairperson and access to professional advice	When deciding on remuneration of Executive Directors, the Committee also obtains advice from the Managing Director as necessary.	✓

Code Ref	Compliance and Implementations	Compliance
B.2 Level and make-up of Remuneration	The Board together with the Remuneration Committee aims to attract retain and motivate high caliber individuals for top executive positions.	✓
B.2.1 Level and make-up of the remuneration of the Managing Director	The Remuneration Committee assesses the sufficiency of remuneration of Executive Directors to ensure a strategy of retention. Executive Director including performance of Managing Director is evaluated annually and suitable remuneration levels are decided by the Committee.	✓
B.2.2 Comparison of remuneration with other companies	When positioning remuneration levels relative to other companies in the industry, Remuneration Committee reviews the information related to the Executive Directors' pay level against the industry.	✓
B.2.3 Comparison of remuneration with other companies in the Group	Executive Directors represent other companies within the group.	✓
B.2.4 Performance-related payments to the Managing Director	Please refer principle B.2 and Code B.2.1 above.	✓
B.2.5 Executive share options	There was no executive share options scheme offered to any Director during 2022/23.	✓
B.2.6 Deciding the Executive Directors' Remuneration	Please see comments given in Principle B.2 for details on Executive Director Remuneration.	✓
B.2.7 Early termination of Directors	Not applicable to the Board.	✓
B.2.8 Early termination not included in the initial contract	In an event of early termination of a director, remuneration will be concluded based on the scenario.	✓
B.2.9 Remuneration of Non-Executive Directors	Non-Executive Directors are paid a fee for their services as mentioned in Code B.1.4.	✓
B.3 Disclosure of Remuneration	The Remuneration Committee operates within agreed terms of reference and is committed to the principles of accountability and transparency	✓
B.3.1 Disclosure of Remuneration	Details of Remuneration Committee composition with meetings held and participation status of members are provided on page 53. Related Party Disclosure Note on page 150 in the notes to financial statements provides information on remuneration paid to Executive and Non-Executive Directors in aggregate.	✓

Code Ref	Compliance and Implementations	Compliance
C. Relation with Shareholders		
C.1 Constructive use of the Annual General Meeting (AGM) and Conduct of General Meetings	AGM will be held on 25 th August 2023 and all shareholders are encouraged to participate at the AGM	✓
C.1.1 Use of proxy votes	Proxy forms are made available in the Annual report that is released with adequate prior notice to all shareholders in accordance with Companies Act.	✓
C.1.2 Separate resolution for all separate issues	Company passed separate resolutions for the adoption of the "Report of the Directors" and "Statement of Financial report and the Report of the Auditors" included in the Annual Report.	✓
C.1.3 Availability of all Board Sub-Committee Chairmen at the Annual General meeting	All Board members which include Chairpersons of all the Board Sub-committees, namely, Audit Committee, and Remuneration Committee are presented at the AGM to answer any questions coming under the purview of their Committee.	✓
C.1.4 Adequate notice of the Annual General Meeting	For the previous financial period, the Annual report of FY 2021/22 was submitted to the Colombo Stock Exchange on 28 th June 2022 and was delivered to all shareholders the same day. Abans PLC's AGM was held on 29 th July 2022.	✓
C.1.5 Procedures of voting at General Meetings	Voting procedures at the General Meetings are circulated to the shareholders.	✓
C.2 Communication with shareholders	Extensive financial and non-financial information of company's activities are provided to shareholders through the Annual Report and the Interim Reports published on a quarterly basis.	✓
C.2.1 Channel to reach all shareholders of the Company	Formal communications with the shareholders are conducted through Notices to shareholders, Annual Report Quarterly Financial Statements, and general meetings of shareholders. All the financial information such as Annual Reports, Interim Reports are made available to shareholders via CSE website.	✓
C.2.2 Policy and methodology for communication with shareholders	The Communication Policy is implemented through exchange of Memos, Electronic Mail, Board Papers and Presentations.	✓
C.2.3 Implementation of the policy and methodology for communication with shareholders	Please see Code – C.2.2 above.	✓
C.2.4 C.2.6 Contact person in relation to shareholders' matters	As per the general practice of the company, main point of contact for the shareholders for their concerns and clarification is the board of directors.	✓
C.2.5 Process to make all Directors aware of major issues and concerns of shareholders	Material issues and concerns of the shareholders are communicated to the Board by company management and family directors via weekly meetings held to discuss business matters.	✓
C.2.7 The process of responding to shareholder matters	According to Abans PLC's "Communication Policy", all shareholder-related material matters are handled promptly and attentively by the Board upon being informed	✓

Code Ref	Compliance and Implementations	Compliance
C.3 Major and Material Transactions	Abans PLC Board has established a process to capture and disclose any material transactions proposed that would alter or vary the net asset position of Company either through its audited financial statements or in interim publication or by making announcement to the Colombo Stock Exchange.	✓
C.3.1 Major transactions	Material-related party transactions or corporate transactions involving acquisitions, mergers or disposal, which materially affect Abans PLC net assets position, are disclosed on page 151.	✓
D Accountability and Audit		
D.1 Financial Reporting	The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.	✓
D.1.1 Statutory and Regulatory Reporting	Abans PLC has reported a true and fair view of its financial position and performance for the year ended 31st March 2023 and at the end of each quarter of 2022/23 financial year.	
	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.	✓
D.1.2 Directors' Report in the Annual Report	The Annual Report of the Board of Directors (Directors' Report) provided on pages 50 to 51 gives an affirmation on Company's compliance with laws and regulations, confirms the going concern assumption and the effectiveness of Internal Control System that is in place.	✓
D.1.3 Statement of Directors' and Auditors' responsibility for the Financial Statements	Statement of Directors' responsibility for Financial Reporting given on page 51 provides a statement setting out the responsibilities of the Board for the preparation and presentation of the Financial Statements	✓
D.1.4 Management Discussions and Analysis	As per Code –D.1.4 management commentary covering all requirements is given on pages 47 to 49 in the "Financial Review Section".	✓
D.1.5 Declaration by the Board that the business as a Going Concern	The Annual Report of the Board of Directors provides disclosure affirming the going concern of the company, after drawing attention to aspects mentioned in the schedule G of the Code.	✓
D.1.6 Summoning an Extra Ordinary General Meeting (EGM) to notify serious loss of capital	A situation of a serious loss of capital is unlikely to arise	✓
D.1.7 Related party transactions	An adequate and accurate disclosure of related party transactions are given in Note 31 to the Financial Statements on pages 150 to 152.	✓

Code Ref	Compliance and Implementations	Compliance
D.2 Internal Control	The Board has established an effective system of internal controls to safeguard the assets of the company.	✓
D.2.1 Annual evaluation of the risks facing the Company and the effectiveness of the system of internal controls	Internal Auditors have been entrusted to periodically review the adequacy and effectiveness of internal controls of the company, feedback of which is given to the higher level Audit Committee. Statement on Internal Controls provided on page 54 complies with content of Annexure K of the code.	✓
D.2.2 Internal audit function	Abans PLC's Internal Audit division which is centrally located provides independent and objective assurance with respect to the adequacy of the design and operating effectiveness of internal controls and governance process across the company.	✓
D.2.3 Review of the process and effectiveness of risk management and internal controls by the Audit Committee	Audit Committee continuously reviewed the effectiveness of risk management process and internal controls and ensured the soundness of the risk management process and internal controls and managed to report any deficiencies and matters to Board with recommendations.	✓
D.2.4 Responsibilities of Directors in maintaining a sound system of internal control	The Board Statement on Internal Controls given on page 54 complies with the contents in Annexure K of the code.	✓
D.3 Audit Committee	The Board of Abans PLC has established an Audit Committee that operates independently under specified terms of reference covering review of financial reporting aspects, internal controls and maintaining relationship with company auditors internal and external in accordance with the provisions of this Code and other regulatory requirements	✓
D.3.1 Composition of the Audit Committee	The Committee met 04 times during the year. The names of members forming the Audit Committee, their participation level, secretary, and invitees of the Committee are disclosed on page 54.	✓
D.3.2 Review of Objectivity of the External Auditor	As disclosed in Audit Committee Report, the Audit Committee in keeping to its term of reference monitors the objectivity, effectiveness and independence of the External Auditor of the company	✓
D.3.3 Terms of Reference of the Audit Committee	The Board approved written terms of reference governs all activities of Audit Committee. The Terms of Reference have been drawn after giving due reference to the "Code of Best Practices on Audit Committee"	✓
D.3.4 Disclosures of the Audit Committee	Please refer page 54 for the Audit Committee Report. The External Auditor has provided a Confirmation of Independence in compliance with the "Guidelines for Appointment of Auditors of Listed Companies" issued by SEC.	✓
D.4 Code of Business Conduct and Ethics	High standards in business conduct and ethics are an integral part of Abans PLC's culture. In keeping with Abans PLC's practised value system, an organization-wide human resource policy document is in place which defines clear HR policies and procedures to the employee.	✓

Code Ref	Compliance and Implementations	Compliance
D.4.1 Code of Business Conduct and Ethics	The HR division has devised a formal document incorporating human resource procedures including aspects on employee conduct.	
D.4.2 Affirmation by the Chairman that there is no violation of the Code of Conduct and Ethics	The Chairperson's affirmation that she is not aware of any violations to requirements of the company on specified business conduct and ethics is given in the "Chairperson's review" on pages 10 to 12.	
D.5 Corporate Governance Disclosures	Abans PLC Board of Directors upholds adopting sound corporate governance practices while improving the overall governance year on year.	
D.5.1 Disclosure of Corporate Governance	Abans PLC's Corporate Governance report of FY 2022/23 provides a comprehensive disclosure of the company's corporate governance framework and practices indicating Code of best practices on corporate governance issued in 2017.	
E. Institutional Investors		
E.1 Shareholders voting	Institutional shareholders are required to make considered use of their votes and are encouraged to ensure their voting intentions are translated into practice.	
E.1.1 Institutional shareholders	The Company has the Debt listing status in Colombo Stock Exchange, Main Board since 2013.	
E.2 Evaluation of Corporate Governance initiatives	Matters relating to governance are communicated effectively to all shareholders via the Annual Report and through AGM. Views and other material matters of shareholders are subsequently taken up at Board meetings as necessary.	
F. Other Investors		
F.1 Investing/Divesting decision		
F.1.1 Individual shareholders	Individual shareholders are encouraged to carry out adequate analysis and seek independent advice prior to making investments or divestments directly in shares of the Company.	
F.2 Individual shareholders voting	Individual shareholders are encouraged to participate in the Annual General Meeting and to exercise their voting rights.	

CSE Rule Reference	Corporate Governance Principles	Compliance Status
7.10.1(a)	Non-Executive Directors (NED)	Two NED out of total of seven directors
7.10.2(a)	Independent Directors (ID)	All NEDs are Independent
7.10.2(b)	Independent Directors	NEDs have submitted the declaration in the prescribed format
7.10.3(a)	Disclosure relating to Directors	✓
7.10.3(b)	Disclosure relating to Directors	The Board has determined that criteria for independence are met for IDs
7.10.3(c)	Disclosure relating to Directors	✓
7.10.3(d)	Disclosure relating to Directors	✓
7.10.5 (a)	Composition of Remuneration Committee	✓
7.10.5(b)	Functions of Remuneration Committee	✓
7.10.5(c)	Disclosure in the Annual Report relating to Remuneration Committee	✓
7.10.6(a)	Composition of Audit Committee	✓
7.10.6(b)	Audit Committee Functions	✓
7.10.6 (c)	Disclosure in the Annual Report relating to Audit Committee	✓

Risk Management

Managing risk is a key aspect of the Board's stewardship obligations. Almost all the business decisions contain an element of risk. Therefore, understanding and managing risk is a critically important function of an organization.

Abans Group has a robust risk management framework through which it carries out its risk management strategy and ensures a culture of proactive identification and mitigation of key risks relevant to its business operations.

The aftermath caused by the COVID 19 pandemic developed into a socio-economic calamity despite the moderation of impact on Health and Safety and Business interruptions due to lockdowns. The socio-economic calamity exacerbated by political turmoil affecting the lives and livelihood of individuals and organizations in a deprived manner. Rapid increase of inflation, exchange and interest rate fluctuations,

tax regimes imposed by the government, volatility in Government policy decision and import restrictions, shortages of essential goods and services, and employee migration were key challenges faced by the Company.

The Group has been conducting a comprehensive review of the risk management framework giving due emphasis on uncertain and volatile business and economic conditions and has implemented mitigation strategies considering the risks attributable to the areas of Foreign Currency Management, Inventory Management, Talent Retention, Hire Purchase/Lease Portfolios and effective Working Capital Management of the Group.

The Group has further ensured that operations continue unhindered, despite the volatile and evolving landscape. Further the Group continues to monitor the impact on its operations and proactively take measures to ensure that business continues as

seamlessly as possible.

Current risk management function of the Group is based on following strategic objectives.

- To identify, analyze, evaluate, treat, monitor, and manage significant risks of the group.
- Define Company's risk appetite and align Company's business strategy according to the defined risk strategy to reduce and eliminate harmful threats.
- Support efficient management of resources to ensure business growth backed by effective risk management.
- To develop a well-defined risk management culture within the group facilitated by better communication within the group.

Approach to Risk Management

The Board is in the process of strengthening the Risk Management function of the Group. As a result, during the year under review the risk management function was formalized with more defined risk functions and enhanced risk management related policies & procedures. Further, the Board assumes overall responsibility of defining the risk appetite, setting the risk objectives, approving the risk management framework & approving policies for effective risk management.

The Risk Management Governance Structure

Risk Management Structure



Board Level Committees

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

Executive Level Committees

- Management Committee
- Hire Purchase Committee

Three Lines of Defense

At Abans, we recognize the importance of having a risk culture. Therefore, management focuses on enhancing and implementing best practices. This is supported by the Three Lines of Defense Model which has largely been viewed as the basis for sound risk management of the group.

The three Lines of defense Model helps organizations to better identify and structure interactions and responsibilities of key players towards achieving more effective alignment, collaboration, and accountability. Accordingly, different groups within the organization play a distinct role within the Three Lines of Defense model, from business units to finance, inventory, supervision, other risk management personnel and audit.

1st Line of Defense	2nd Line of Defense	3rd Line of Defense
Business Lines	Risk Management and Control	Assurance
Self-assessment of risk and controls Ensure risks are within the risk management policies	Setting up a Risk Management Framework and independently monitoring the effective implementation of the framework.	Comprises internal audit, external audit and provides independent assurance to the board over the first and second lines of defense.

Risk Assessment Matrix

The below depicted matrix is used to identify the risk level of each core risk. The risk ratings of the risk incidents have been determined based on the likelihood and impact on the Company.

Likelihood	Certain	Medium	High	High	Extreme	Extreme
	Likely	Medium	Medium	High	High	Extreme
	Possible	Low	Medium	Medium	High	High
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium
		Negligible	Marginal	Moderate	Significant	Critical
Significance/Impact						

Extreme ■ **High** ■ **Medium** ■ **Low** ■

Risk Exposure	Potential Impact	Developments in 2022/23	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
Economic & Business Risk						
National Policy Instability/ Volatility in import regulations	Instability of National Policy and uncertainty in the regulatory environment hinder effective Operational, Financial and Resource Planning and Allocation functions, causing disruptions on effective and efficient decision making. Uncertainty beyond predictable levels restrained the long-term planning and investments for future value creation and growth of the Organization	Political turmoil and economic instability were experienced during the first half of the Financial Year as the country faced its worst economic crisis which aggravated into a socio-economic calamity causing frequent disruptions on business operations changing the risk landscape of the Country and Company largely. Second Half of the year indicated ease of distress and more stability. The foreign currency liquidity constraints in the Banking System exacerbated as the US Dollar reached an all-time high recording the highest depreciation making the rupee one of the worst performing currencies against the US Dollar by the 1st Quarter which persisted until the latter part of the year, where the country was granted a bailout package by IMF. This Foreign Currency Crisis impacted the importations, financing, and cost significantly as Banks refused to accommodate new Letters of Credit (LCs) and alternative sources had to be exploited. The Volatility of Import control regulations impacted the operations immensely as the Import Control Licensing System that was introduced in March 2022 by relaxing certain Temporary Suspensions (TS) on Electronics and Home Appliances persisted until August 2022 which increased the importation lead times considerably as each Shipment was subjected to an Import Control License and had to be prior approved by the Ministry of Finance. In August 2022 TSs were reintroduced which impacted approximately 90% of the Product Portfolio and even though several revisions were done in September 2022 and January 2023, 80% of the Product Portfolio remained under TS including key products. Decisions on abrupt hikes on Import Duties and introduction of new Duties also impacted the Bonded Warehouse Operations and Import Clearing as unexpected Financing was required to Finance unanticipated increase of guarantee requirements. Severe disruptions in the provision of essential services such as electricity and fuel impacted the business operations immensely in the first half of the Year which eased out gradually during the second half	Having foreseen the instability in the economic environment implemented, Strategic Import Planning and Inventory Management functions included reducing reactive time to respond to un-specified and dynamic changes in the business, regulatory and political environment whilst adhering to Import Control Regulations. Strong and long-term Supplier relationships helped negotiate with suppliers and financial institutions on credit, payment terms and undisrupted supply were continued to sustain the supply chain and minimize the disruption to operations. More concentration was given to expand Local Manufacturing as majority of the materials required for 'Local Manufacturing and Assembling' were relaxed from Import Control Regulations while exploiting alternative sourcing options. Effective Inventory Management through maintaining optimal buffer levels and planned Product Rationalization with strict monitoring of macro-economic trends	■	■	■

Risk Exposure	Potential Impact	Developments in 2022/23	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
Increase in Cost of Consumption	Significant Increase in inflation in the country invariably impact the Disposable Income with reduction in purchasing power that hinder business growth and directly impact on the Sales and recoverability of Hire Purchase facilities of the Company	The domestic inflation rates escalated tremendously during the current Financial Year which reached an all-time high of 69.80 % in September 2022 according to Colombo Consumer Price Index (CCPI) whilst National Consumer Price Index (NCPI) reached 73.70%. The CCPI and NCPI indexes recorded a rate of 50.3% and 49.2% respectively in March 2023 as opposed to 18.7% and 21.5% in March 2022. Global conflicts between countries and steep rise in global inflation levels contributed to increase in cost of consumption despite the ease off of the impact from COVID 19 Pandemic. The global economic growth is estimated to decelerate sharply from 2.9 percent in 2022 to 1.7 percent in 2023 according to the Global Economic Prospects Report published by the World Bank, due to elevated inflation, higher interest rates, reduced investments, and disruptions due to Global Conflicts, and any further developments could result in global economic recession. However, it is forecasted that the global economic growth will increase to 2.7percent in 2024. The World Bank has declared in January 2023, that Sri Lanka's economy was expected to contract by 9.2 percent in 2022 and a further 4.2 percent in 2023 as opposed to the growth of 3.3 percent in 2021.	Major decisions were made in the mode of selling, with more focus on cash flow improvements. Credit sales mostly restricted, strict controls deployed over granting of Hire Purchase facilities with close monitoring of customers and concentrated on Cash Sales for major part of the Financial Year. Continuous implementation of better inventory management and credit evaluation policies Entering into corporate purchasing agreements, successful negotiation with suppliers, direct purchases from manufacturers and management of costs contributed to improving productivity.			
Market Place Risk						
Competition	Changes in the composition of the Market Share and escalation of competition in the Consumer Electronics and Retail Industry including Apparel & Lifestyle inevitably impacted the market share of the Company leading to possible implications on the Financial Performance	Uncertainties caused by the economic and business conditions that prevailed throughout the Financial Year resulted in frequent changes to the overall market share. Mixed opportunities were created with competitor withdrawals, diminishing market share of existing competitors and threats with increased competition between other players. Increased competition was observed despite the adverse economic and business conditions, with the key competitor having increased spending through Digital Marketing to improve visibility with the intention to capture Market Share and exploit new opportunities. Retail Showroom channel was repositioned with thorough evaluation of market conditions and potential	In most part of the year our strategy was to improve cash flows. A cash sale driven strategy was set in place, with aggressive pricing on continuous clearance of aged inventory, which in turn helped the company in controlling its finance expenses and drove customer traffic to our retail stores. Use of latest technology such as Social Listening Tools to monitor competitor performances and activities in the Digital Space Competitor threats were addressed through higher			

Risk Exposure	Potential Impact	Developments in 2022/23	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
		mainly with the Shop in Shop concept, renovating and upgrading of 31 Showrooms A considerable increase in demand for Hire Purchase facilities was observed towards the latter part of the year in the market as most Competitors pulled out from the HP business due to the elevated risk and inventory constraints. Demand for new products such as Solar Power Systems, locally manufactured Electronic Products were observed	budgetary allocations for Digital Marketing with changed Marketing Strategies Focused Digital Marketing Strategies with more concentration in the areas of Apparel, Footwear and Lifestyle to capture diminishing market shares of competitors. Our 'Google My Business' efforts are unprecedented in the market, that helped the Company to stand out when customers searched products. Verified Showrooms on 'Google My Business' for location marketing to capture more foot traffic towards nearby showrooms. Increase in Hire Purchase granting towards the latter half of the year with a target driven strategy under careful evaluation between risk and benefits with strong controls on facilities such as customer verifications, audits, and use of tracking systems. Other actions taken include Increased specialized training for front office staff, dedicated teams to capture market for products, proactive pricing, effective sharing of resources amongst channels with continued efforts in maintaining good relationships with suppliers, both local and international			
Seasonality	A substantial amount of the Group's revenue and operating profit is generated during peak seasons, being Christmas and New Year. Adverse impacts on trading during these seasonal periods is likely to impact the overall results and profitability of the Company.	The impact on Sales due to speculative behavior of customers in the preceding year was not witnessed during the current year and trends indicated that the buying patterns normalized with sales peaking in seasonal Months of December and April. December season recorded the highest sales during the current year, however, was lower in comparison to the last year mainly due to low disposable income of customers and adverse economic and business conditions.	Deployed new price and rewarding schemes to induce customers and Showroom Managers to drive sales Initiated sales campaigns targeting off season Months based on the information gathered and evaluated through Digital Marketing Platforms, marketing technology deployed and global trend analysis Proper financial and operational planning helped to minimize the impact of the seasonal factor.			

Risk Exposure	Potential Impact	Developments in 2022/23	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
Fast Changing Technology and Customer Preferences	Frequent changes in customer preferences stimulated by dynamic and new product technology, innovative products and trends expose the Company to a risk of failure to capitalize on new technology or emerging trends. The failure to meet customer expectations inevitably would have a negative impact on the revenue and bottom line of the Company	While interactions and engagement of customers online has increased, sales conversion through e-commerce was observed to be steadily dropping as customers returned to in-store activities. There has been an increase in preference for 'Buy Now, Pay Later' (BNPL) schemes as disposable incomes dropped in Sri Lanka Emerging trends of personalized, demographic-based marketing through social media influencers	Abans is backed by reputed brands being technological leaders and all product category heads have constant meetings with brand principles and get updates on product road maps on a regular basis that helps to launch globally leading technologies /trends to the local market ahead of competition whilst avoiding technological obsolescence Uses of Technology and other mitigation actions are, • Engagement of a wide range of Chatbots covering Social Media Channels, to increase proactive responses to customer needs and inquiries • Utilized local influencers in the areas of Fashion, Cooking, and Electronics interests etc. to help promote our products to younger audiences. • Addressing the BNPL area through several modifications planned for the BuyAbans website • Deployed new Customer Relationship Management (CRM) System to increase Customer engagement, segment and analyze customers preferences for target marketing and promotions • Continuous training of staff in embracing technology and its application for increased efficiency and transparency. • Introduction of Learning Management System (LMS) Application • Launched Abans Intranet to improve sharing of company information among staff to help drive uniform customer service levels and product awareness • Field surveys to identify changing customer preferences and to take proactive responses	■	■	■

Risk Exposure	Potential Impact	Developments in 2022/23	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
Operational Risk						
Inventory Management	Inability to maintain optimal level of inventories due to volatile business conditions and regulatory restrictions could lead to stock out or overstocking situations resulting in loss of sales or buildup of slow moving and obsolete stocks impacting the Financial Position and Performance of the Company. Disruptions to the Inventory distribution due to fuel crisis and cost escalation impacted the product availability at Showrooms and Regional Warehouses.	Inventory Management process became more crucial than ever before due to the prevailing conditions in the world which has resulted in high cost and several barriers to our import process which was rather challenging as our operations are heavily dependent on imports. Centralized Delivery and Logistics initiative were expanded during the year by opening new satellite and regional stores. Expansion of last mile delivery and delivery to customer doorstep which contributed to increase customer satisfactions and sales.	Many proactive strategies were used to manage inventory foreseeing the political and economic situation in the country. Strategic decision was made to import sufficient goods for a longer period of time, which are not locally manufactured, and goods that are generally considered non-essential by the Government. This helped us to overcome the Temporary suspensions imposed in August 2022. An aggressive local sourcing strategy was put in place to overcome Temporary suspension of small and kitchen appliances. Intensive surveillance and monitoring of changes in business and regulatory conditions, efficient Inventory Planning and Strategic Inventory Management methods enable to maintain optimal levels of Inventory without any unnecessary cost. Local Inventory Distribution Strategies were changed through effective planning and distribution whilst identifying the requirements for resources and ensuring availability and preservation of same. Strategic and contemporary pricing and promotion strategies were adopted as a proactive response to changes in customer demand and special pricing methods to target groups Stringent monitoring and control of Inventory Aging for slow moving products Enhanced Showroom Level Inventory supervision with new buffer equation Implementation of new Digitalization initiatives to improve the Inventory Management System and reduce cost	■	■	■

Risk Exposure	Potential Impact	Developments in 2022/23	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
Risk on fraudulent and dishonest activities	Due to the current business and economic environment, the likelihood of potential fraudulent and dishonest activities by customers and employees have prevailed	Internal control strategies are being looked at often by the management to minimize business interruptions in terms of fraudulent activities through, • Risk Based Auditing • Emphasis on Data Analytics for Anti-Fraud activities • Increased frequency of Internal Audits. • Security measures to prevent passing of sensitive Information to competitors and unauthorized persons • Improved Information system security and governance structures	Fraud Risk has been mitigated to an acceptable level with the adoption of the following, • Covering of Audit of all Showrooms within the stipulated time • Thematic Analysis to identify Systemic Issues • Identification of Root Causes • Follow-up Audits • Enhanced use of Data Analytic Techniques • Proper implementation of Strategic Risk Based Audit Plan • Strengthening the initiatives of Three Lines of Defense Concept • Introduction of Whistle Blowing and Anti-Fraud Policies			
Employee health and safety issues	Threats to employee psychological and physical health conditions caused by, • Impact of adverse socio-economic events • Evolving new diseases • Warehouse Operations	Despite the moderation of impact from the COVID 19 Pandemic significant psychological discomfort was experienced due to the socio-economic pressure caused by political turmoil and economic distress in the country which exacerbated due to the rapid increase in inflation and cost of consumption, deterioration of living standards, erosion of savings, job insecurity and mental frustration due to uncertainties. Latter part of the year indicated ease of distress as the country became more stabilized.	Employee wellbeing is a key priority. Employee wellbeing has been challenged in many ways in 2022/23 financial year, due to the political unrest and economic instability. Introduction of new practices/policies to provide employees with certain convenience strengthening employee mental health and wellness facilitating them to become very productive in their roles. Educating and awareness programs to employees to adhere to proper safety, health, and hygienic standards at Warehouse level. Ensure use of Personal Protective Equipment and display of signage Segregation of storage items based on nature and periodic planned maintenance at warehouses			

Risk Exposure	Potential Impact	Developments in 2022/23	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
People Risk and Labour Shortages	Failure to maintain capable employees for the right task, will result in failure of achieving the set goals on time. of order to meet the short term and long-term business goals we ensure the required talent is available within the organization. Strategies are in place to groom the talent within and attract the talent externally to bridge the talent gaps and build the leadership capabilities of the organization.	Due to the economic conditions that prevailed in the country during the financial year there has been a considerable brain drain due to increased migration and foreign employment which created a huge impact on the job market. The job market has been much more active than the previous year, though most companies as well as Abans has been on a hiring freeze during lockdowns. The scarcity for talent created by the Brain Drain, and the increase of demand for talent, is making Human Resources far expensive than ever before. Labour migration reached unprecedented high levels triggered by the economic crisis. According to the Central Bank of Sri Lanka during 2022, total departures for foreign employment amounted to 311,269 persons recording a monthly average of 25,939 persons as opposed to 122,264 persons and monthly average of 10,189 persons in 2021.	Abans continue its Journey of transforming, a culture of collaboration, innovation and trust. Abans embraces modernization while maintaining its core value system stemming from its vision 'empowering the way to life.' HR strategies are designed to facilitate this transformation and drive innovation, promote collaboration and trust through various employee engagement and wellbeing mechanisms that are executed virtually and in person. Abans being a highly performance driven organization, the Performance Management Framework; PERF LEAD plays a key role in driving a high-performance culture at Abans. BRAVO recognition scheme, Abans Annual Awards schemes and Backoffice recognition schemes were launched last year to strengthen the performance culture Talent Management is a key functional area of Human Resource Management of Abans PLC which is governed by multiple policies and frameworks related to Talent Acquisition, Key Talent management, Succession Planning, Learning and Development etc. Abans Plc is continuously digitally transforming every aspect of the business in both the front and back offices, in order to completely eradicate manual processors, duplication of work and run a completely paperless operation, whilst driving higher productivity and efficiency across the company.			

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
Strategic Risk						
Risk of losing data due to security breaches Disruptions to operations due to break down / non-availability of the IT systems	Security Breaches could result in loss of data, data reaching unauthorized persons & non-availability of Systems for Business Continuity Inability to obtain unhindered cloud services due to Foreign Exchange crisis.	Despite the obstacles and delays faced during the financial year the Company was successfully able to expedite the SAP roll-out to over 80% of Abans Group Companies. Improved IT infrastructure and information security controls, initiatives were undertaken and implemented as the requirement increased globally with increased trends in cyber infiltrations and attacks as businesses shifted into a more digitalized environment. Constraints were experienced due to the Foreign currency crisis in maintaining IT service levels and payment to foreign suppliers	Comprehensive technical assessment on the infrastructure, services and software systems to identify potential vulnerabilities and weaknesses were carried out in collaboration with renowned industrial experts on Cybersecurity and IT solution providers. Comprehensive process assessments on IT services and system developments were initiated by deploying expert Cyber Security and Business Resiliency Consultants Proactive measures were taken to finalize and align the processes, procedures, and policies to obtain ISO 27001 which is expected to be obtained in 2023/24 Controls are being implemented to ensure that adequate and safe backups / duplicates are obtained where retention of confidential Company data are hosted in foreign destinations under foreign jurisdictions	■	■	■
Negative impact on Reputation arises from unaccepted corporate behavior.	The Company has secured a positive image in the trading industry and expanded across the country in multiple industries. Any hindrance to the reputation could therefore have a negative impact on their earnings and lead to loss in competitive advantage	Measures in place to deal with negative publicity regarding the company's conduct & business practices, should it occur. • Business ethics, integrity and quality of products and services • Code of Conduct – governance practices and risk management programs, policies, procedures and training • Continuous review of the strategy on after sales services of Abans. • Neutrality towards non-economic events and focusing on the customer centric culture.	Management at Abans, always promote integrity and good business practices among employees to maintain a socially acceptable behavior. Company always adheres to the applicable laws and regulations and follows the best practices. To maintain a competitive edge, the Board of Directors (BOD) and their senior management continuously review their strategic initiatives. Product quality and suitability to local conditions are ensured through random testing. Continued the review of policy and procedures on unethical/unacceptable behavior along with timely measures.	■	■	■

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
Financial Risk						
Forex rate Risk	Fitch Ratings downgraded Sri Lanka's Long-Term Local-Currency Issuer Default Rating (IDR) to 'CC', from 'CCC', in December 2022, reflecting Fitch's view that a local-currency debt default is probable in light of an untenably high domestic interest payment/revenue ratio, high-interest costs, tight domestic financing conditions, and rising local-currency debt/GDP in the context of high domestic fiscal financing requirements, which authorities forecast at about 8% of GDP in 2022. The Long-Term Local-Currency IDR would be further downgraded if the government announces plans to restructure or defaults on its local-currency debt.	In 1st April 2022 USD/LKR SPOT Exchange Rate was recorded as LKR 299 per USD & the LKR depreciated to the highest value of 365 per USD (22% depreciation). At the end of the financial year 31st March 2023, the LKR was 327 per USD. From mid of March 2023, LKR was stabilizing against USD with the confidence of the IMF bailout package.	Transaction risk of unanticipated changes in exchange rates are mitigated by considering exchange rate fluctuations in costing and pricing. This involves forecasting of exchange rates based on available information and discussions with Banks and other relevant stakeholders.			
Interest Rate Risk	Rising interest rates result in an increased cost of borrowing and a higher return on investments. However, the risk associated with the business is due to the former, which is an increase in the cost of fund. This will invariably delay the re-investment in profitable ventures and ultimately impact the profit that is available to shareholders due to the high borrowing costs. A Significant component of interest rates are variable in nature. Therefore, this invariably leads to uncertainty in the current market	Company was able to manage the Debt & Interest cost by obtaining supplier credit and competitive interest rates. Amidst the pandemic, company managed its working capital effectively while maintaining a stable Credit rating to ensure competitive interest rates were offered by lenders. At the beginning of the Financial year 22/23 AWPLR was recorded at 9.85% & peaked to 25.95% at the end of 2nd quarter 2022. The interest rates are currently coming down and at the end of the FY 22/23, stabilized to around 20% (21.4% as at 31st March 2023).	Close monitoring of market interest rates to get the advantage of interest rate fluctuations. Locking the interest rate by borrowing from fixed interest rate funding sources. Maintain right mix of borrowing to reduce maturity mismatch. Maximization of fund utilization by investing excess funds in high return investments Strong business relationships with lenders and brand strength help to ensure better negotiation on terms of credit Maintained a Credit rating at AA-(Ika) Fitch Ratings to ensure competitive interest rates were offered by lenders			

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
Liquidity Risk	Liquidity risk is when the Group does not have sufficient financial resources to meet financial obligations when due or will need to do so at an excessive cost. The liquidity risk of the company is assessed based on the current ratio and the quick asset ratio of the company. The objective of liquidity risk management is to ensure that sufficient funding is available at all times irrespective of cyclical fluctuations	Due to the Pandemonium situation, strategies were implemented to improve working capital management. Current ratio at the end of 2022/23 stood at 1.4x compared to 1.2x at the beginning due to effective management of working capital amidst the pandemic. However, during the Financial Year, the country faced US Dollar liquidity issues, which resulted in availability of US dollars being limited in the Banking system. Hence, meeting supplier commitments on time was challenging.	To manage the Working Capital risk effectively, obtained extensions for the current import loans of the company. To manage the Working Capital risk effectively, obtained extensions for the current import loans of the company. Obtained Short Term Loans to maintain the liquidity. Maintain unutilized bank facilities as a safety cushion to meet immediate commitments Group treasury division is entrusted with monitoring borrowings, payments and maintaining good relationships with banks Liquidity position of the company is regularly reviewed Maintaining relationships with the Banks and the Suppliers to ensure commitments are settled satisfactorily			
Credit Risk	The clientele of Abans consists of corporate clients, government and general public. While corporate and government institutions are provided with adequate credit, the general public usually utilizes hire purchase schemes. Therefore, the credit risk for Abans arises from multiple revenue channels across different divisions	Hire Purchase cash collections were effectively managed through different strategies implemented during the year amidst the pandemic. Similarly, Dealer, Corporate etc. collections were smoothened even at the blink of this global pandemic as a result of the healthy & long-term relationships maintained by the company	An effective credit policy is implemented across all client segments and credit worthiness is reviewed regularly Contractual agreements are drawn with clients and material payments are backed by guarantees Debtor age analysis is regularly reviewed and continuously monitored Credit supervision team is available to monitor risks on a regular basis. A call centre was established to effectively follow up on HP debtors.			

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2020/21	2021/22	2022/23
Investment Risk	Investment risk refers to the uncertainty of expected returns on any new investment. This includes the risk taken when investing in new products, expanding into new markets, capital projects and mergers & acquisitions. This often is interrelated with interest rate risk and foreign currency risk as well as the general business climate and buying power of consumers. During the period of April-May 2022 all the major credit rating agencies downgraded Sri Lanka to Speculative Grade which negatively impacted investments in Sri Lanka. Due to the competitive market that Abans operates in, new investments are often needed in showroom expansions, partnering with new brands, digitalization and backward and forward integration	Slowed down expansion plans in order to accommodate the general economic downturn & political uncertainty. Hyperinflationary situation & LKR depreciation against other currencies affected the new investments and business expansions. Positively looking at enhancing local manufacturing capacities and investments which will neutralize exchange movements.	Management generally carries out extensive appraisals before going ahead with any investment projects. Continuous evaluation of market and identifying product development / market expansion opportunities. A due diligence study ensures that hurdle rate expectations are met by each capital investment. Sensitive variables in the feasibility studies are continuously monitored and hedged wherever possible. Expected returns are computed based on conservative assumptions and the project feasibilities are estimated based on the same. Post investments analysis and performance tracking are in place.			

Financial Analysis

The following discussion and analysis should be read in concurrence with the Audited Consolidated Financial Statements of the Group and the Company for the year ended 31st March 2023. In this Report, 'Group' refers to Abans PLC and its subsidiary companies and 'Company' refers to Abans PLC.

Basis of preparation

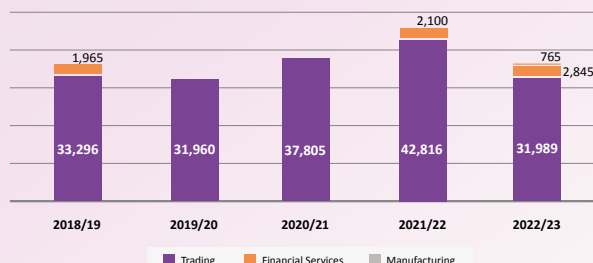
The Financial Statements were prepared in accordance with the Sri Lankan Accounting Standards (also referred to as SLFRSs & LKASs) issued by the Institute of Chartered Accountants of Sri Lanka, the requirements of the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995 and Companies act no.07 of 2007.

Profitability

Revenue

Group revenue consists of Trading, Manufacturing, and Financial Service segments related to Abans PLC, AB Manufacturing Pvt Ltd and Abans Finance PLC respectively. For the financial year ended 31st March 2023, Group reached a revenue of LKR 35.6Bn compared to LKR 44.9 Bn last year recording a decline of 21% YoY as a result of the general decline in consumer demand. Company revenue which accounts to majority of the Group's revenue also saw a 24% decline compared to last year.

**GROUP REVENUE OVER THE YEARS
(LKR'MILLIONS)**



Gross Profit

In comparison to FY 2021/22, Gross profit for the period positioned at LKR 14.7 Bn for the Group with a 14.14% with a YoY growth. GP for the Group increased by LKR 1.8 Bn against the preceding year due to sturdy growth in sales of products and the product portfolio mix. Accordingly, Gross profit Margin for the Group positioned at 41.49%, compared to 28.8% Last Year.

Prologue

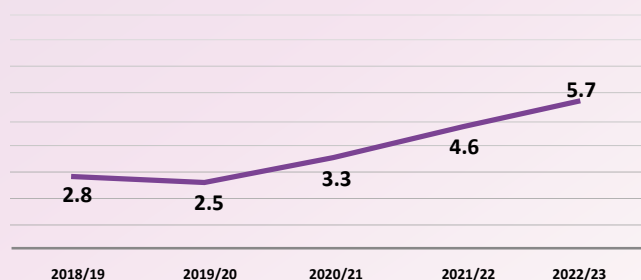
Amidst government policy changes affecting imports and adverse macro-economic factors hindering consumer demand, Abans continued its legacy to "Lead, Succeed, Exceed" yet again in financial year 22/23.

Well established product portfolio, strong relationships maintained along the supply chain, strategic working capital management, customer loyalty and undying dedication of the employees aided Abans to complete a remarkable financial year in the middle of an economic downturn.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

Group EBITDA for the year under review grew from LKR 4.6 Bn from last year to LKR 5.7Bn. Despite the upstream in operational expenses due to the adverse macro environment events, EBITDA has risen as a result of the improvement in Gross Profit margin.

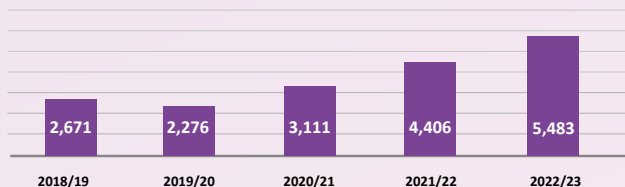
**EBITDA OVER THE YEARS
(LKR'BILLIONS)**



Operating Profit

Accordingly, Group Operating profit for the respective period reached LKR 5.5Bn mark recording the highest of the last 5 years with significant YoY growth of 24.4%, regardless of the operating expense increment. The OP Margin is reported to be 15.4 % for the period up to 31st March 2023.

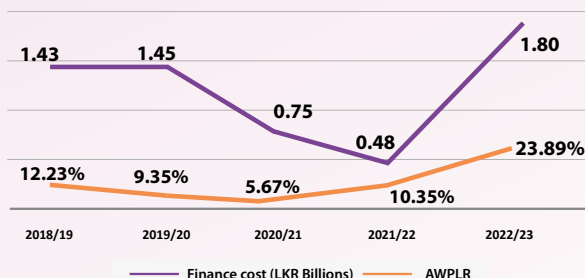
GROUP OPERATING PROFIT OVER THE YEARS (LKR'MILLIONS)



Net Finance cost

Net finance cost increased to Rs.1.8Bn in FY22/23 from Rs.478Mn last year due to increase of Group borrowing and significant increase in government policy rates during the year under review. Along with the foreign exchange scarcity in the banking system, importers had to pay the foreign suppliers in advance which led to an increase in borrowings amidst the rate hike. Finance cost includes Rs.359Mn interest on IFRS 16 related lease liability for FY22/23 compared to Rs.223Mn in last year.

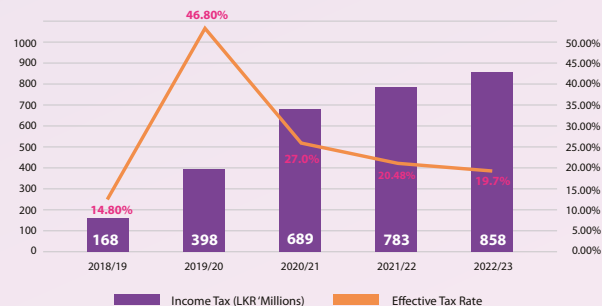
AWPLR vs. ABANS GROUP FINANCE COST



Taxation

Income tax expense for the Group was LKR 858Mn for FY22/23 compared to Rs.783Mn last year. The effective tax rate of the Group for 2022/23 stood at 19.65% whereas it was 20.48% last year. Effective tax rate has declined even though government increased corporate income tax rates due to reversal of Rs.263Mn in deferred tax.

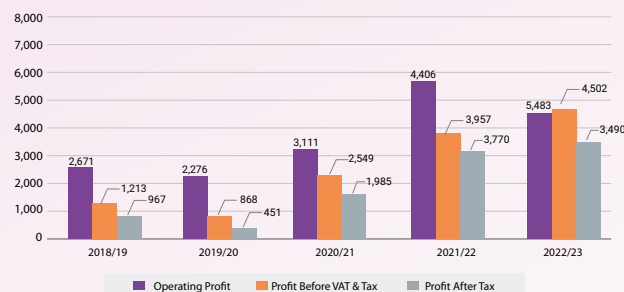
GROUP INCOME TAX OVER THE YEARS



Net Profit after Income Tax & VAT

For the year under review, Group net profit after tax stood at LKR 3.49 Bn with a slight YoY decline of 7.4%. This stems mainly from the significant YoY increase in finance cost in Abans PLC which negated the affect of improved EBITDA YoY.

ABANS GROUP - PROFIT OVER THE YEARS (LKR' MILLIONS)



Earnings Per Share (EPS)

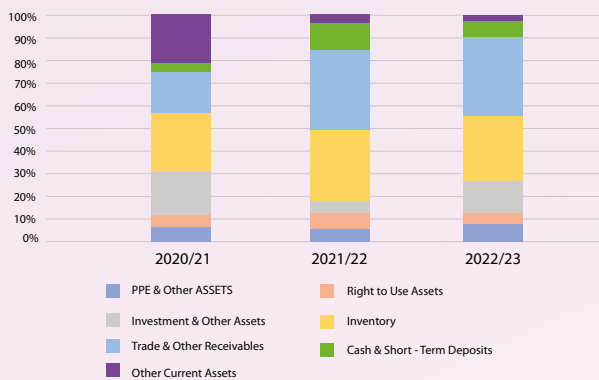
As a result of 14.7% YoY growth of Group Net profit from continuing operations during the period, Group Earnings per share from continuing operations stood at Rs.1.57 compared to Rs.1.37 last year. Company Earnings Per Share declined slightly to Rs.1.10 from Rs.1.19 last year due to decline in Net profit from continuing operations compared to last year.

Financial Position

Assets

Assets of the Group stood at LKR 41 Bn as at 31st March 2023 compared to Rs.42 Bn at the beginning of the year. Non-Current assets of the group were increased over the year while the current assets of the group have been reduced mainly due to the decline in cash and short-term deposits owing to settlement of trade and other payables.

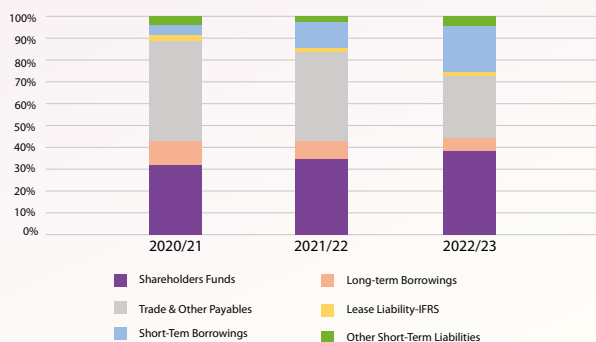
TOTAL ASSET COMPOSITION-ABANS GROUP



Liabilities

Group liabilities declined to Rs.25Bn as at 31st March 2023 compared to Rs.28Bn at the beginning of the year. This decline arises mainly from the visible drop in trade and other payables which is in line with the reduction in Group cash and short term deposits within the year.

EQUITY & TOTAL LIABILITIES COMPOSITION ABANS GROUP

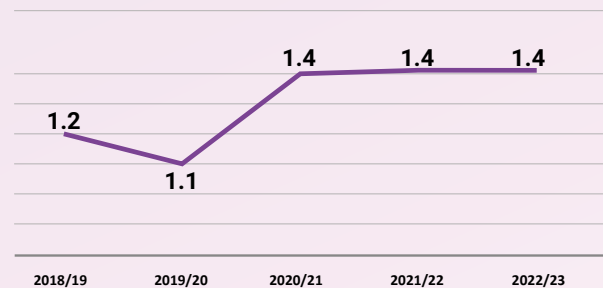


Ratios

Liquidity

Abans Group liquidity (Current Ratio) was maintained at 1.41x as at 31st March 2023 compared to that of the beginning of the year. Reduction in cash and short-term deposits were aligned to reduction in Trade and other payables.

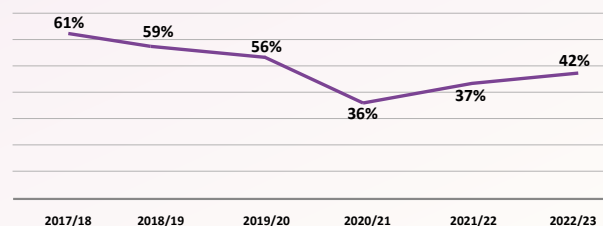
LIQUIDITY OVER THE YEARS



Leverage

The Debt/Debt + Equity ratio of the group increased to 42.3% in comparison to the preceding year's ratio of 37%. This stems mainly from increase in borrowings during the period owing to foreign currency scarcity in country's banking system inducing importers to pay foreign suppliers in advance.

LEVERAGE OVER THE YEARS



Annual Report of the Board of Directors

The Board of Directors of Abans PLC takes pleasure in presenting the Annual Report and the Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31st March 2023

Principal Activities

The principal activities of Abans PLC are importing and retailing consumer electronics, home appliances, IT products and mobile phones, crockery, and cookware, sanitary and a host of other household items and lifestyle products. The Group has the Company (Abans PLC), Subsidiaries and Associate Companies of which the structure is given on page 68 of this Annual Report.

Business Review

A review of the financial and operational performance and future business developments of the group, sectors, and its business units are described in the Chairperson's Message, Managing Director's Review of Performance and Financial Review of this Annual Report. These Reports together with the Audited Financial Statements reflect the state of affairs of the Group. Segment-wise contribution to Group Revenue, Results, Assets and Liabilities are provided in Note 04 to the Financial Statements.

Results and Appropriations

Revenue generated by the Group for the year under review amounted to Rs. 35.6 Bn which was derived by Abans PLC, Abans Finance PLC and AB Manufacturing Pvt Ltd.

Financial Statements and the Report of the Auditors

The Financial Statements of the Group for the year ended 31st March 2023 as approved by the Board of Directors on 65 are given on pages 63 to 154. The Auditors' Report on the Financial Statements of the Group is given on pages 58 to 62.

Accounting Policies

The Accounting Policies adopted in the preparation and presentation of the Financial Statements are given on pages 68 to 102. There were no material changes in the Accounting Policies adopted by the

Group during the year.

Investments

Total investments of the Company in its Subsidiaries, Associates, Joint Venture and Equity investments amounted to Rs. 3,401 Mn. The details of the investments are given on Page 65 to the Financial Statements.

Property, Plant and Equipment

The Net Book Value of Property, Plant and Equipment as at year end amounted to Rs. 1,338 Mn and Rs. 3,644 Mn for the Company and the Group. Total capital expenditure during the year for acquisition of property, Plant and Equipment by the Company and the Group amounted to Rs. 175 Mn and Rs. 1,386 respectively. Details of Property, Plant and Equipment are given in Note 08 to the Financial Statements.

Stated Capital and Reserves

The Stated Capital of the Company as at 31st March 2023 was Rs.500,869,225/- consisting of 2,221,304,615 ordinary voting shares. The total Group equity was Rs. 15,735,931,354/- as at 31st March 2023.

Internal Control and Risk Management

The Directors acknowledge their responsibility for the Group's system of internal control. The systems are designed to provide reasonable assurance that the assets of the Group are safeguarded and to ensure that proper accounting records are maintained. The Board of Directors, having reviewed the system of internal control, is satisfied with the systems and measures in effect at the date of signing this Annual Report.

Human Resources

The Company has an equal employment 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.

Further, the Company continued to develop the team and focus their contribution towards the achievement of corporate goals.

Board of Directors

The Board of Directors of the Company as at 31st March 2023 and their brief profiles are given on pages 17 to 20. The following persons were the Directors of the Company as at 31st March 2023.

- (a) Mrs. Aban Pestonjee – Chairperson
- (b) Mr. Behman Pestonjee – Managing Director / Alternate Director for Mrs. Aban Pestonjee
- (c) Dr. Saroshi Dubash - Executive Director
- (d) Mr. Rusi Pestonjee - Executive Director
- (e) Mrs. D.A.R. Chandrika Perera – Executive Director
- (f) Mr. R. Selvaskandan - Independent Non-Executive Director
- (g) Mr. Dinesh Weerakkody - Independent Non-Executive Director

"Mr. Behman Pestonjee expired on 17th June 2023. The Board of Directors wished to place on record the valuable services rendered by late Mr. Behman Pestonjee during his tenure as an Executive Director of the Company and expresses its deep sense of appreciation and gratitude for same. Mr. Rusi Pestonjee was appointed as the Managing Director of the Company with effect from 21st June 2023."

Re-Election of Directors

A resolution for the re-appointment of Mrs. Aban Pestonjee as a Director who is over 70 years of age will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.07 of 2007. Mrs. Aban Pestonjee's re-appointment is recommended by the Directors

Board Committees

The Board has appointed three Sub- Committees i.e. the Audit Committee, the Remuneration Committee and Related Party Transaction Review Committee. The composition and responsibilities of the said

Committees are detailed in the respective reports.

Interest Register

The Company maintains an Interest Register in compliance with the Companies Act No. 07 of 2007. In compliance with the requirements of the Companies Act, this Annual Report also contains particulars of entries made in the Interest Register.

Directors' interest in Contracts

Directors' interests in contracts are disclosed in the related party transactions under Note 31.6 to the Financial Statements.

Donations

No Donations were made by the Company during the year.

Directors' Shareholding

The shareholding of the Directors of the Company as at 31st March 2023 and as defined under the Listing Rules of the Colombo Stock Exchange is NIL.

Directors' Remuneration

Directors' remuneration is established within a framework approved by the Remuneration Committee. Directors' remuneration in respect of the Company for the year is given in Note 31.6 to the Financial Statements.

Share Information

Information relating to earnings, dividends and net assets is given on page 155. The distribution and the composition of shareholding are given on page No. 05 of this Annual Report.

Listed Debt

Information relating to the listed debentures is given on page 155.

Corporate Governance

The Board of Directors has endeavored to ensure that the Company has complied with the Listing Rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance issued

by the Institute of Chartered Accountants of Sri Lanka Directors are committed to the furtherance of Corporate Governance principles of the Company. The measures taken in this regard are set out in the Corporate Governance Report on pages 21 to 33 of this Annual Report. Further, the Directors declare that the Company has not engaged in any activity which contravenes laws and regulations. All material interests in contracts involving the Company have been declared by the Directors and they have refrained from voting on matters in which they were materially interested. The Company has made all endeavors to ensure the equitable treatment of shareholders. The business is a going concern and a review of internal controls covering financial, operational and compliance controls and risk management has been conducted. The Directors have obtained reasonable assurance of the controls' effectiveness and successful adherence.

Statutory Payments

The Board of Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its Subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its Subsidiaries and all other known statutory dues as were due and payable by the Company and its Subsidiaries as at year end have been paid or, where relevant provided for.

Auditors

The financial statements for the year ended 31st March 2023 have been audited by Messrs Ernst & Young, Chartered Accountants, who have expressed their willingness to continue in office. In accordance with Section 158 of the Companies Act No.07 of 2007, the auditors will be deemed to have been re-appointed at the forthcoming Annual General Meeting and accordingly a resolution authorizing the Board of Directors to determine their remuneration will be proposed thereat

Total audit fees paid to Messrs. Ernst & Young by the Company and its Subsidiaries are disclosed in Note 5.5 to the Financial Statements.

As far as the Board of Directors is aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors also do not have any interest in the Company

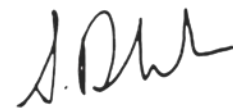
Annual General Meeting

The Annual General Meeting will be held on 25th August 2023 at 10.00 a.m as an on-line audio-visual meeting. The Notice of Meeting appears in the supplementary information section of the comprehensive Annual Report.

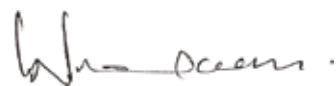
This Annual Report is signed for and on behalf of the Board of Directors.



Aban Pestonjee
Chairperson



Dr. Saroshi Dubash
Executive Director



Varners International (Pvt) Ltd.
Company Secretaries

26th June 2023

Statement of Directors' Responsibility

The following statement sets out the responsibility of Directors in relation to the financial statements of the Company and Group. The responsibility of independent auditors in relation to the financial statements prepared in accordance with the provision of Companies Act No. 07 of 2007 ("the Act") and SLFRS is set out in the independent auditors' report. Statement of profit and loss and other comprehensive income, which presents a true and fair view of the profit and loss of the Company and the Group for the financial year; and Statement of financial position, which presents a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and which comply with the requirements of The Companies' Act and SLFRS. The Directors are required to ensure that, in preparing these financial statements:

- Appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained.
- All applicable accounting standards (SLFRS/LKAS) issued by The Institute of Chartered Accountants of Sri Lanka, as relevant have been followed.

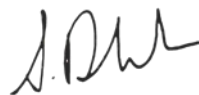
Judgements and estimates have been made which are reasonable and prudent. The Directors are also required to ensure that the Company and the Group have adequate resources to continue in operation to justify applying the going concern basis in preparing these financial statements. Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and the Group and also to ensure that the financial statements presented comply with the requirements of the Act. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group and in this regard, to give proper consideration to the establishment of appropriate internal control systems with a view to prevent and detect fraud and other irregularities. The internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting. The Audit Committee of the Company meets periodically with the internal auditors and the independent external auditors to review the

manner in which these auditors are performing their responsibilities and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the independent auditors and the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance. The Directors are required to prepare financial statements and provide independent external auditors with every opportunity to take whatever steps and undertake whatever inspections that they may consider appropriate in order to enable them to give the independent auditors' opinion. The Directors are of the view that they have discharged their responsibilities as set out in this statement. Compliance Report The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of employees of the Company and its subsidiaries and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the reporting date have been paid or where relevant provided for.

By order of the Board,



Aban Pestonjee
Chairperson



Dr. Saroshi Dubash
Executive Director

26th of June 2023

Board Remuneration Committee Report

"The main purpose of the Remuneration Committee is to ensure that Abans PLC is adopting a fair and a transparent remuneration policy, to facilitate the organization's Human Capital Management Strategy, enabling the organization to attract, retain and grow the required capabilities"

The Role of the Committee

The Remuneration Committee has been established to assist the Board in developing and administering a fair and transparent procedure for formulating policies on the remuneration of Directors and Key Management Personnel (KMPs) of the Company and to review and oversee the Company's overall Compensation and benefits strategy. This is with the objective of ensuring that the Company is geared to attract, retain, and grow management capabilities required for the organization to have a competitive edge through Human Capital.

Members

The Board Remuneration Committee comprises of the following members:

- Mr. Rajaratnam Selvaskandan - Independent Non-Executive Director.
- Mr. Dinesh S. Weerakkody - Independent Non- Executive Director.

The committee met on three occasions during the year under review and all members attended the meetings. The Executive Directors, Group Chief Human Resources Officer, and members attended such meetings by invitation, when necessary.

The attendance of the members at these meetings was as follows:

Mr. Rajaratnam Selvaskandan 3/3

Mr. Dinesh S. Weerakkody 3/3

Remuneration and Benefits provided:

Remuneration of staff is based on the profile of the job holder and encompasses the base salary, benefits, and fixed allowances (which is considered as guaranteed remuneration), alongside a variable pay scheme. Such variable pay schemes are designed to drive business goals and have been aligned with the goals of corporate governance.

Based on market surveys carried out, the Company, has adopted measures while ensuring internal and external parity, which will support the organization to attract the right talent from external talent pools and retain high performers within the organization. No remuneration is paid to the Non-Executive Directors other than the Directors fees paid for participation at Board meetings.

The remuneration committee reviewed strategies for Internal Talent Mobility and launched a Framework backed by the Promotion Policy on in August 2021. These strategies were introduced for optimization of internal talent, enhance employee retention and have a positive impact on the organizational performance, keeping in line with our Employee value Proposition "Enhancing Potential, Unleashing Passion" it helps our employees to learn new skills and move into roles that they are passionate about. Further, the committee regularly reviewed employee productivity vs employee cost to ensure that employee productivity is maintained above the industry norms.

Conclusion

Following the discussions held at Committee meetings, the Chairman of the Committee reports to the Board on the Committee's findings and recommendations, on matters relating to Remuneration and Performance Management. The Committee is satisfied that the Company follows appropriate recruitment, appraisal, and remuneration policies and procedures, which reasonably ensures that the Human Capital of the Company is retained and developed. There is severe competition for talent in the market and the Company will be required to continuously evolve in this area, to keep abreast with the growth aspirations of the organisation. Technology will also increasingly influence the approach taken towards talent management.



Rajaratnam Selvaskandan

Chairman, Remuneration Committee

25th of May 2023

Board Audit Committee Report

The Board Audit Committee (here-in-after referred to as the 'Committee') assists the Board of Directors (here-in-after referred to as the 'Board') in the discharge of its responsibilities by providing necessary oversight to Abans PLC's (here-in-after referred to as the 'Company') and the Group's financial reporting, internal controls and 'internal and external' audit practices.

Roles and Responsibilities

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the Financial Statements of the Company and the Group, the Internal Control and Risk Management systems of the Group, the Compliance with Legal and Regulatory Requirements, the External Auditor's Performance, Qualifications, Independence, and the adequacy in performance of the Internal Audit function undertaken by the Group Internal Audit Department. The scope of functions and responsibilities are adequately set out in the Terms of Reference of the Committee.

The key responsibilities of the Committee include:

- Reviewing Financial Information of the Group, in order to monitor the integrity of the Financial Statements of the Group, Accounts and Quarterly Reports prepared for disclosure.
- Reporting to the Board on the quality and acceptability of the Group's Accounting Policies.
- Assessing the reasonability of the underlying assumptions for estimates and judgements made in preparing the Financial Statements.
- Reviewing Risk Management Processes and the Regulatory Compliance.
- Reviewing of the Financial Statements (including Quarterly Financial Statements) to ensure compliance with Sri Lanka Accounting Standards (SLFRS/LKAS) and the Accounting Policies.
- Reviewing Internal Audit results and liaising with Senior Management of the Company in taking precautionary measures to minimize and control weaknesses, procedure violations, frauds, and errors.
- Assessing the independence and monitoring the performance and functions of the Internal Audit including overseeing the appointment or

termination of the Group Chief Internal Auditor.

- Overseeing the appointment, compensation, resignation, and dismissal of the External Auditor, including review of the External Audit function, its cost-effectiveness and monitoring of the External Auditor's independence.

Composition

During the year, the Committee consisted of the following members:

- Mr. Dinesh S. Weerakkody (Chairman) – Independent Non-Executive Director
- Mr. Rajaratnam Selvaskandan - Independent Non-Executive Director

The Committee comprises solely of two (02) independent Non-Executive Directors.

Brief profiles of the members of the Committee are given on pages 17 to 20 of the Annual Report.

The Chairman of the Committee, Mr. Dinesh Weerakkody, (Independent Non-Executive Director) is a Fellow Member of the Chartered Institute of Management Accountants (UK) and the Institute of Certified Management Accountants of Sri Lanka.

Varners International (Private) Limited serves as the Secretary to the Committee.

All Non-Executive Directors satisfy the criteria of Independence as specified within the Listing Rules of the Colombo Stock Exchange (CSE) and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Meetings

The Committee met on Four (04) occasions (via video conferencing) during the year. The proceedings of these meetings with adequate details of matters discussed were regularly reported to the Board. The attendance of the members at these meetings were as follows.

Mr. Dinesh Weerakkody (Chairman) 5/5
Mr. Rajaratnam Selvaskandan 4/4

The Executive Directors including the Group Chief Financial Officer, Group Chief Internal Auditor and the External Auditors also attended these meetings by invitation. Further, members of the Senior Management of the Company were invited to participate at the meetings as and when the necessity arose.

Reporting of Financial Statements

The Committee assisted the Board in its oversight on the preparation, presentation, and adequacy of disclosures in the Financial Statements in accordance with the Sri Lanka Accounting Standards. As such the Committee reviewed and discussed the Quarterly and Annual Financial Statements.

Internal Controls and Risk Management Procedure

The Company and the Group followed a Risk-Based Audit Methodology for assessing the effectiveness of internal control procedures for the management of significant risks.

Internal Audit

The Internal Audit function is an independent, objective assurance and consulting activity designed to add value and improve the Company's operations. The Committee monitored and reviewed the scope, extent, efficiency, and effectiveness of the activity of the Internal Audit Department. This included reviewing of updates on audit activities and the progress of the Internal Audit Department, advising Senior Management to take precautionary measures on significant audit findings and assessment of resource requirements of the Internal Audit Department. The Committee had necessary interaction with the Group Chief Internal Auditor throughout the year.

During the year, the Committee reviewed the progress of the Internal Audit function, and continuously monitored the progress of the Audits on a regular basis. The sections covered and the regularity of the Audits depended on the risk level of each section, with higher risk sections being audited more frequently.

The Committee reviewed the significant findings and recommendations which were prioritized based on the level of risk. The Committee followed up on Internal Audit recommendations with the Senior Management. Internal Audit Reports were made available to External Auditors as well.

During the year under review, 502 Showroom Audits were carried out in addition to the Departmental Audits and the Committee received the attention of significant findings on operating and design effectiveness.

External Audit

The following were the key functions of the Committee in respect of the External Audit:

- Monitored and evaluated the independence and objectivity

of the External Auditor and the effectiveness of the Audit process.

- Discussed with the External Auditor on their audit approach and procedure, including matters relating to the Scope of the Audit and the Auditor's Independence.
- Reviewed the Financial Statements with the External Auditor responsible for expressing an opinion on its conformity with the Sri Lanka Accounting Standards.
- Reviewed non-audit services provided by the Auditors to ensure such services will not impair the External Auditor's independence and objectivity.
- Due to adverse changes in the economic environment, conducted a special review of processes in order to mitigate impending and associated risks.

The Committee also met the External Auditors, without management being present, prior to the finalization of the Financial Statements to obtain their input on specific issues and to ascertain whether they had any areas of concern relating to their work. The Committee has recommended to the Board that Messrs. Ernst and Young, Chartered Accountants, be reappointed for the financial year ending 31st March 2024, subject to the approval of the shareholders at the next Annual General Meeting.

Ethics and Governance

The Company's Whistle Blowing Policy encourages staff to whistle blow (raise concerns), in the case of suspicious wrongdoing or other irregularities. Independent investigations would be carried out with regard to whistle blowing, and the Whistle Blowing Policy ensures the maintenance of strict confidentiality of the identity of the whistle blowers.

Evaluation of the Committee

The annual evaluation of the Committee is conducted by the Board.



Dinesh S. Weerakkody
Chairman – Board Audit Committee

24th of May 2023

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee which is appointed by the Board of Directors of the Company, consists of the below mentioned Independent Non-Executive Directors who possess in-depth expertise and knowledge in Business, Finance & Legal etc.

- Mr. Rajaratnam Selvaskandan Independent Non-Executive Director
- Mr. Dinesh Weerakkody Independent Non-Executive Director

Information on above committee members could be referred to through the profile descriptions on pages 17 to 20 of this report.

The Committee has reviewed the related party transactions during the financial year and has communicated the observations to the Board of Directors. At the invitation of the Committee, Executive Director - Finance attended these meetings. Messrs. Varners International (Pvt) Ltd functions as the Company Secretaries to the Related Party Transactions Review Committee.

The Committee met three (3) times during the financial year ended 31 March 2023, and the attendance of committee members/ by invitation at meetings are as follows.

- Mr. Rajaratnam Selvaskandan – 03/03
- Mr. Dinesh Weerakkody – 03/03
- Mrs. Chandrika Perera – 03/03

Committee Charter

The Related Party Transactions Review Committee was established by the Board of Directors to assist the Board in reviewing all Related Party Transactions carried out by the Company in terms of the CSE Listing Rules that require mandatory compliance.

Accordingly, except for exempted transactions, all other Related Party Transactions are required to be reviewed by the Related Party Transactions Review Committee 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.

Terms of Reference of the Committee

Terms of Reference (TOR) considers the responsibilities of the Related Party Transactions Review Committee in terms of the CSE Listing Rules. It sets out the guidelines on Related Party Transactions and their reporting. The Terms of Reference (TOR) of the Related Party Transactions Review Committee was approved by the Board of Directors and is reviewed annually as per regulatory and operational requirements.

The Related Party Transactions Review Committee conducts its activities as per its Charter, Policy and Guidelines and is entrusted with the task of reviewing Related Party Transactions other than those transactions explicitly exempted under the Listing Rules of the Colombo Stock Exchange.

Objectives, Responsibilities and Duties

The Related Party Transactions Review Committee carries out the following duties and responsibilities:

- Reviewing Related Party Transactions of the Company except those explicitly exempted under the Listing Rules.
- Adopting policies and procedures to review Related Party Transactions of the Company and setting out guidelines and methods for the capturing and reviewing of Related Party Transactions.
- Assessing whether the Related Party Transactions are in the best interests of the Company and its Shareholders as a whole.
- Updating the Board of Directors on the RPT of the Company on a quarterly basis and determining whether Related Party Transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the Company.
- To set out guidelines and methods for the capturing and reviewing of Related Party Transactions, based on the nature of such transactions in line with the business of the Company as Recurrent Related Party Transactions and Non-Recurrent Related Party Transactions, for Senior Management.
- Advising the Board in making immediate market disclosures and other appropriate disclosures on applicable Related Party Transactions as required by Section 9 of the Continuing Listing Requirements of the CSE and Best Practices on Related Party Transactions issued by the SEC

The Committee is supported in its task of reviewing Related Party Transactions by way of confirmation reports produced by the Management on Related Party Transactions that took place during each quarter. These reports primarily confirm to the Committee if a Related Party Transaction occurred on an arms-length basis or not and the reasons for conducting such transactions with a related party.



Rajaratnam Selvaskandan,
Chairman – Related Party Transactions Review Committee

25th of May 2023





Ernst & Young
Chartered Accountants
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P.O. Box 101
Colombo 10, Sri Lanka

Tel: +94 11 246 3500
Fax (Gen): +94 11 269 7369
Fax (Tax): +94 11 557 8180
Email: eysl@lk.ey.com
ey.com

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ABANS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Abans PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2023 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2023, 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 are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 33 of the financial statements, which describes the effects on financial reporting arising from a group's subsidiary company previously classified as held for sale, no longer satisfying the criteria for such classification. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: H M A Jayasinghe FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, N Y R L Fernando ACA, W K B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hulangamuwa FCA FCMA LLB (London), Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajewani FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: W S J De Silva BSc (Hons) MIS MSc IT, G B Goudan ACMA, D L B Karunathilaka ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), T P M Ruberu FCA FCCA

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of trading stock As at 31 March 2023, the carrying value of inventory amounted to Rs. 11,927 Mn after considering a provision of Rs. 879 Mn for slow moving inventory, as disclosed in Note 16 to the financial statements. Existence and valuation of inventory was a key audit matter due to: - Materiality of the reported amount, which represents 29% of the Group's total assets; - Inventory being held at multiple locations comprising warehouses and showrooms island wide. The existence of inventory is verified by management through physical inventory counts and related reconciliations performed as at the year-end; and - Judgements applied by the management in determining the provision for slow-moving and obsolete inventory on account of factors such as shelf life.	Our audit procedures, among others, included the following: - Observed physical inventory counts at selected locations and verified the related reconciliations to support amounts reported as at the year end. - Tested, whether Inventory was stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices of such items. - Tested the accuracy and completeness of inventory age reports used in the estimation of provision for slow moving and obsolete inventory. - Assessed the reasonableness of management judgements applied in determining provision for slow-moving and obsolete inventory. Our assessment included the basis applied to determine inventory shelf life. We also evaluated the adequacy of the disclosures in Note 2.3.17 and 16 to the financial statements.
Revenue recognition The Group derived its revenue from the sale of consumer durable goods of Rs. 31,989 Mn through showroom sales, online sales and other distribution channels as disclosed in note 4 to the financial statement. Recognition of revenue was a key audit matter due to: - Materiality of the reported amount, which represents 90% of the Group's total revenue; - Complexity due to various contractual arrangements with customers including those related to hire purchase.	Our audit procedures included the following: - Evaluated the design and tested the operating effectiveness of key controls relevant to revenue from sale of goods. Our procedures included testing the general IT control environment and the key IT application controls relating to the most significant IT systems relevant to revenue - Performed appropriate analytical procedures to understand and assess the reasonableness of reported revenue. - Tested the revenue transactions by reviewing the sales invoices, delivery notes, hire purchase contracts. - Our procedures included testing revenue cut-off at the period-end date to determine whether transactions are recorded in the proper period and to the proper accounts. - Based on the respective terms and conditions of Hire Purchase contracts, we assessed whether income recognised over the period is in line with the group's accounting policy for revenue recognition. We also assessed the adequacy of related disclosures in Note 2.3.5 and 5 to the financial statements.

Key audit matter	How our audit addressed the key audit matter
Allowance for impairment losses on Loans & Advances, Lease Rentals Receivable and Trade Receivables at amortized cost As at 31 March 2023, Loans & Advances, Lease Rentals Receivable and Trade Receivables carried at amortized cost net of impairment allowances amounted to Rs. 11,416 Mn after considering an allowance of Rs. 1,541 Mn as disclosed in notes 10 & 15 to the financial statements. This was a key audit matter due to the materiality of the reported allowance for impairment losses which involved complex calculations; degree of significant judgements and assumptions and level of estimation uncertainty associated with estimating future cashflows management expects to receive from such financial assets. Key areas of significant judgements, estimates and assumptions used by the management in the assessment of the provision for credit impairment included the following. - Management overlays to incorporate the current economic contraction. The incorporation of forward-looking information such that expected cashflows reflect current and anticipated future external factors evaluated under different economic scenarios and the probability weighting determined for each of these scenarios.	In addressing the adequacy of the allowance for impairment losses on Loans & Advances, Lease Rentals Receivable and Trade Receivables carried at amortized cost, our audit procedures included the following key procedures; - We assessed the alignment of the Company's Allowance for impairment losses computations and underlying methodology including responses to market economic volatility with its accounting policies, based on the best available information up to the date of our report. - We evaluated the Internal controls over estimation of credit impairment, which included assessing the level of oversight, review and approval of impairment allowances policies and procedures by the Board and management. - We checked the completeness, accuracy and classification of the underlying data used in the computation of credit impairment by agreeing details to relevant source documents and accounting records of the Company. For Loans & Advances, Lease Rentals Receivable and Trade Receivables assessed on an individual basis for impairment: - We evaluated reasonableness of credit quality assessment. - We checked the arithmetical accuracy of the underlying individual impairment calculations. - We evaluated the reasonableness of key inputs used in provision for credit impairment made with particular focus on current economic contraction. Such evaluations were carried out considering the customer exposure to elevated risk industries, debt moratoriums, status of recovery actions of collaterals in forecasting the value and timing of cashflows. For Loans & Advances, Lease Rentals Receivable and Trade Receivables assessed on a collective basis for impairment: - We tested key inputs as disclosed in note 2.3.15.11 and the calculations used in the provision for credit impairment. - We assessed whether judgments used in assumptions and estimates made by the management when estimating future cashflows, in the underlying methodology and management overlays were reasonable. Our assessment included portfolio segmentation, elevated risk industries, evaluating the reasonableness of forward-looking information, different economic scenarios and probability weighting assigned to each scenario. We assessed the adequacy of the related financial statement disclosures set out in notes 10 & 15 of the financial statements.

Other Information included in the 2023 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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 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, 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 the management and those charged with governance

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, management is responsible for assessing the 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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- 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 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1697.



26th June 2023
Colombo

STATEMENT OF PROFIT OR LOSS

		Group		Company	
Year ended 31 March			Re-Presented		
	Note	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Continuing Operations					
Revenue	5.1	35,599,593,779	44,916,275,728	32,629,450,511	42,818,157,810
Cost of Sales		(20,827,693,611)	(31,973,795,730)	(19,556,344,119)	(31,420,694,817)
Gross Profit		14,771,900,168	12,942,479,998	13,073,106,392	11,397,462,993
Other Operating Income	5.2	186,300,329	239,690,977	175,071,083	220,438,845
Selling & Distribution Expenses		(4,033,778,873)	(4,415,785,883)	(3,872,656,136)	(4,326,634,689)
Administrative Expenses		(5,441,754,709)	(4,359,903,082)	(4,652,960,011)	(3,634,602,515)
Results from Operating Activities		5,482,666,915	4,406,482,010	4,722,561,328	3,656,664,634
Finance Cost	5.3	(2,226,312,591)	(564,267,965)	(1,997,646,121)	(550,724,189)
Finance Income	5.4	409,617,281	85,792,004	409,617,281	85,792,004
Change in Fair Value of Investment Properties	9.1	10,100,000	43,347,613	10,100,000	43,347,613
Share of Results of Equity Accounted Investee (Net of Tax)	13.4	826,188,298	(14,820,083)	-	-
Profit before Income Tax and Value Added Tax on Financial Services from Continuing Operations	5.5	4,502,259,903	3,956,533,579	3,144,632,488	3,235,080,062
Value Added Tax on Financial Services		(153,698,847)	(131,898,880)	(4,432,103)	(7,195,603)
Income Tax Expense	6.1	(858,685,176)	(783,284,713)	(702,175,115)	(591,513,498)
Profit for the year from Continuing Operation		3,489,875,880	3,041,349,986	2,438,025,270	2,636,370,961
Discontinued Operations					
Profit for the Year from Discontinued Operations	28	-	728,689,947	-	-
Profit for the Year		3,489,875,880	3,770,039,933	2,438,025,270	2,636,370,961
Attributable to:					
Equity Holders of the Parent		3,313,125,772	3,553,483,256	2,438,025,270	2,636,370,961
Non-Controlling Interests		176,750,108	216,556,677	-	-
		3,489,875,880	3,770,039,933	2,438,025,270	2,636,370,961
Earnings Per Share -Basic / Diluted					
- From Continuing Activities	7.1	1.57	1.37	1.10	1.19
- From Discontinued Activities	7.1	-	0.23	-	-
Dividend Per Share	7.2	0.77	0.07	0.77	0.07

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 68 to 153 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Note	Group	Re-Presented	Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Profit for the Year		3,489,875,880	3,770,039,933	2,438,025,270	2,636,370,961
Other Comprehensive Income					
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods :					
Revaluation Gains from Land and Buildings	8	77,495,632	-	53,912,656	-
Actuarial Gain/(Loss) on Employee Benefits Liabilities	23.2	32,390,226	26,591,481	33,047,399	24,211,188
Tax Effect on above	6.2	(77,698,776)	(6,381,955)	(63,039,063)	(5,810,685)
Revaluation Gain from Equity Accounted Investee- Associate (Net of Tax)	13.4	3,375,386	-	-	-
Actuarial Gain/(Loss) from Equity Accounted Investee- Associate	13.4	(7,768,740)	6,205,982	-	-
Net Other Comprehensive Income for the Year from Discontinued Operations		-	-	-	-
Net Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods		27,793,728	26,415,508	23,920,992	18,400,503
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent		-	-		-
Other Comprehensive Income for the Year, Net of Tax		27,793,728	26,415,508	23,920,992	18,400,503
Total Comprehensive Income for the Year, Net of Tax		3,517,669,608	3,796,455,441	2,461,946,262	2,654,771,464
Attributable to:					
Equity Holders of the Parent		3,345,848,619	3,578,988,357	2,461,946,262	2,654,771,464
Non-Controlling Interests		171,820,989	217,467,084	-	-
		3,517,669,608	3,796,455,441	2,461,946,262	2,654,771,464

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 68 to 153 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	Group			Company		
		Re-Represented		Re-Represented	Re-Represented		Re-Represented
		2023	2022	2021	2023	2022	2021
		LKR	LKR	LKR	LKR	LKR	LKR
Non-Current Assets							
Property, Plant and Equipment	8	3,644,358,852	2,414,881,684	1,601,623,008	1,338,874,847	1,285,276,956	1,455,581,294
Investment Properties	9	209,900,000	199,800,000	338,010,500	209,900,000	199,800,000	338,010,500
Right of Use Assets	29	1,588,138,930	2,555,446,071	1,961,735,009	1,436,763,499	2,380,320,788	1,899,244,138
Intangible Assets	11	23,591,848	29,589,336	41,336,633	464,893	1,638,573	7,470,214
Investments in Subsidiaries	12	-	-	-	3,323,689,002	436,144,346	3,112,824,336
Investment In Equity Accounted Investee	13	4,071,503,471	844,128,901	3,076,082,955	78,212,351	78,212,351	78,212,351
Deferred Tax Assets	6.5	516,250,775	325,178,261	272,179,487	496,211,081	325,178,261	262,364,347
Other Non - Current Financial Assets	14	23,693,735	306,283,375	15,080,400	15,000,000	15,000,000	15,000,000
Lease Rentals Receivable	10.1	806,229,797	4,027,360,100	2,495,559,878	-	-	-
Loans and Advances	10.2	402,548,759	345,080,945	412,946,182	-	-	-
		11,286,216,167	11,047,748,673	10,214,554,052	6,899,115,673	4,721,571,275	7,168,707,180
Current Assets							
Inventories	16	11,927,304,791	11,981,268,392	8,933,909,791	11,535,651,696	11,945,887,245	8,902,843,065
Trade and Other Receivables	15	7,074,871,159	10,452,563,512	6,054,143,715	6,998,231,953	10,245,581,953	5,944,121,964
Lease Rentals Receivable	10.1	6,981,253,551	2,972,398,795	3,531,574,071	-	-	-
Loans and Advances	10.2	551,623,462	711,040,243	913,111,895	-	-	-
Other Current Financial Assets	14	1,691,004,659	3,394,566,169	1,641,163,728	754,317,364	2,321,744,427	1,420,214,564
Securities Purchased under Repurchase Agr	17	271,331,939	255,049,144	942,235,676	-	-	-
Cash and Short - Term Deposits	18	1,401,635,274	1,492,904,237	804,013,261	1,013,807,265	1,308,600,954	571,200,865
		29,899,024,835	31,259,790,492	22,820,152,137	20,302,008,278	25,821,814,579	16,838,380,458
Assets held for Sale	27.2	-	1,527,327	-	-	1,527,327	-
		29,899,024,835	31,261,317,819	22,820,152,137	20,302,008,278	25,823,341,906	16,838,380,458
Total Assets		41,185,241,002	42,309,066,492	33,034,706,189	27,201,123,951	30,544,913,181	24,007,087,638
EQUITY AND LIABILITIES							
Equity							
Stated Capital	19	500,869,225	500,869,225	218,500,000	500,869,225	500,869,225	218,500,000
Other Components of Equity	20	1,775,345,867	986,933,238	900,871,480	463,417,223	464,612,254	464,612,254
Retained Earnings		11,982,734,929	11,663,859,983	8,613,288,309	11,394,963,173	10,642,226,434	8,429,809,895
Equity Attributable to Equity Holders of the Parent		14,258,950,021	13,151,662,446	9,732,659,789	12,359,249,621	11,607,707,913	9,112,922,149
Reserves of a disposal group held for sale		-	-	-	-	-	-
Non-Controlling Interests		1,476,981,333	1,216,340,256	1,001,373,172	-	-	-
Total Equity		15,735,931,354	14,368,002,702	10,734,032,961	12,359,249,621	11,607,707,913	9,112,922,149
Non-Current Liabilities							
Interest Bearing Borrowings	21	2,076,904,749	3,092,674,966	1,892,956,708	1,108,166,654	1,842,166,658	1,164,400,000
Lease liabilities	29.1.2	1,490,891,291	2,225,462,343	1,631,246,984	1,355,815,256	2,076,887,208	1,594,535,258
Deferred Tax Liabilities	6.5	92,570,706	86,447,977	66,307,821	-	-	-
Employee Benefits Liabilities	23	346,939,447	332,163,593	332,817,019	299,251,718	304,562,980	305,802,093
		4,007,306,193	5,736,748,879	3,923,328,532	2,763,233,628	4,223,616,846	3,064,737,351
Current Liabilities							
Warranty Provision	22	275,690,667	442,234,057	348,548,930	275,690,668	442,234,058	348,548,931
Trade and Other Payables	24	10,320,656,912	15,270,903,133	14,434,547,505	3,712,396,532	10,212,316,893	8,922,784,939
Income Tax Liabilities		831,026,720	501,439,428	496,562,647	616,113,360	326,358,973	349,315,276
Lease liabilities	29.1.2	546,490,418	651,654,621	624,604,812	515,444,103	619,135,867	598,008,253
Interest Bearing Borrowings	21	9,468,138,738	5,338,083,672	2,473,080,802	6,958,996,039	3,113,542,631	1,610,770,739
		21,442,003,455	22,204,314,911	18,377,344,696	12,078,640,702	14,713,588,422	11,829,428,138
Total Equity and Liabilities		41,185,241,002	42,309,066,492	33,034,706,189	27,201,123,951	30,544,913,181	24,007,087,638

These Financial Statements are in compliance with the requirements of the Companies Act No :07 of 2007.

D. A. R. C. Perera

Chandrika Perera (Group Chief Financial Officer)

The Board of Directors is Responsible for the Financial Statements. Signed for and on Behalf of the Board By.

Aban Pestonjee

Aban Pestonjee (Chairperson)

The Accounting Policies and notes on pages 68 to 153 form an integral part of these financial statements.

Dr. Saroshi Dubash

Dr. Saroshi Dubash (Executive Director)

26th June 2023
Colombo

STATEMENT OF CHANGES IN EQUITY

Group	Attributable to the Equity Holders of the Parent							
	Stated Capital LKR	Revaluation Reserve LKR	Other Reserves LKR	Retained Earnings LKR	Total LKR	Non- Controlling Interest LKR	Total Equity LKR	
Balance as at 31 March 2021	218,500,000	709,764,040	191,107,440	8,613,288,309	9,732,659,789	1,001,373,172	-	10,734,032,961
Net Profit for the Year	-	-	-	3,553,483,256	3,553,483,256	216,556,677	-	3,770,039,933
Other Comprehensive Income	-	-	-	25,505,101	25,505,101	910,407	-	26,415,508
Total Comprehensive Income	218,500,000	709,764,040	191,107,440	12,192,276,666	13,311,648,146	1,218,840,256	-	14,530,488,402
Reserve Capitalization	282,369,225	-	-	(282,369,225)	-	-	-	-
Transfers to/(from) during the year	-	-	86,061,758	(86,061,758)	-	-	-	-
Disposal of Subsidiary	-	-	-	-	-	(2,500,000)	-	(2,500,000)
Dividend Paid	-	-	-	(159,985,700)	(159,985,700)	-	-	(159,985,700)
Balance as at 31 March 2022	500,869,225	709,764,040	277,169,198	11,663,859,983	13,151,662,446	1,216,340,256	-	14,368,002,702
Net Profit for the Year	-	-	-	3,313,125,772	3,313,125,772	176,750,108	-	3,489,875,880
Other Comprehensive Income	-	14,752,455	-	17,970,392	32,722,847	(4,929,119)	-	27,793,728
Total Comprehensive Income	500,869,225	724,516,495	277,169,198	14,994,956,147	16,497,511,065	1,388,161,245	-	17,885,672,310
Acquisition Loss of AB Sun City Group	-	-	-	(528,156,490)	(528,156,490)	-	-	(528,156,490)
Right Issue	-	-	-	-	-	88,820,088	-	88,820,088
Transfers to/(from) during the year	-	-	773,660,174	(773,660,174)	-	-	-	-
Dividend Paid	-	-	-	(1,710,404,554)	(1,710,404,554)	-	-	(1,710,404,554)
Balance as at 31 March 2023	500,869,225	724,516,495	1,050,829,372	11,982,734,929	14,258,950,021	1,476,981,333	-	15,735,931,354

Company	Stated Capital LKR	Revaluation Reserve LKR	Other Reserves LKR	Retained Earnings LKR	Total LKR
Balance as at 31 March 2021	218,500,000	464,612,254	-	8,429,809,895	9,112,922,149
Net Profit for the Year	-	-	-	2,636,370,961	2,636,370,961
Other Comprehensive Income	-	-	-	18,400,503	18,400,503
Total Comprehensive Income	218,500,000	464,612,254	-	11,084,581,359	11,767,693,613
Dividend Paid	-	-	-	(159,985,700)	(159,985,700)
Reserve Capitalization	282,369,225	-	-	(282,369,225)	-
Balance as at 31 March 2022	500,869,225	464,612,254	-	10,642,226,434	11,607,707,913
Net Profit for the Year	-	-	-	2,438,025,270	2,438,025,270
Other Comprehensive Income	-	(1,195,031)	-	25,116,023	23,920,992
Total Comprehensive Income	500,869,225	463,417,223	-	13,105,367,727	14,069,654,175
Dividend Paid	-	-	-	(1,710,404,554)	(1,710,404,554)
Balance as at 31 March 2023	500,869,225	463,417,223	-	11,394,963,173	12,359,249,621

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 68 to 153 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 March

	Note	Group		Company	
		2023	Re-Presented 2022	2023	2022
		LKR	LKR	LKR	LKR
Cash Flows From/(Used in) Operating Activities					
Profit before Tax from Continuing Operation		4,502,259,903	3,956,533,579	3,144,632,488	3,235,080,062
Profit before Tax from Discontinued Operation	27.1	-	(138,862)	-	-
		4,502,259,903	3,956,394,717	3,144,632,488	3,235,080,062
Adjustments for:					
Depreciation - Property Plant & Equipment	8	229,343,738	193,235,636	171,117,886	177,459,818
Change in Fair Value of Investment Properties	9.1	(10,100,000)	(43,347,613)	(10,100,000)	(43,347,613)
Amortization of Intangible Assets & Prepaid Rent	11.1	7,177,863	11,950,455	1,173,680	6,034,799
Change in Fair Value of Quoted Shares		157,200	(180,000)	157,200	(180,000)
Income from Investments		1,717,139	(26,015,604)	12,265,335	(32,344,521)
Profit on Disposal of Assets		11,599,899	(2,365,176)	10,711,703	(2,365,176)
Depreciation of right-of-use assets	27.1	736,036,894	766,182,323	692,064,623	722,685,002
NCI of Disposed Subsidiaries		-	(2,500,000)	-	-
Finance Costs	5.3	2,226,312,591	550,724,189	1,997,646,121	550,724,189
Share of results from Associate	13.4	(826,188,298)	(50,023,232)	-	-
Share of results from Joint Venture	13.4	-	64,843,315	-	-
Provision for Warranty	22	115,105,900	278,143,018	115,105,900	278,143,018
Short - Term Leases and Variable Lease payment	27	13,675,532	-	13,675,532	-
Impairment provision for Trade & Other Receivables	15	(122,937,968)	333,342,618	(57,120,774)	333,215,108
Impairment provision for Inventories	16	560,525,302	83,670,098	555,305,811	83,670,098
Employee Benefit Obligation Transferred	23	9,486,314	(2,091,772)	(2,379,140)	(2,091,772)
Provision for Employee Benefits Liabilities	23	81,371,558	50,483,779	70,909,920	47,517,799
Operating Profit before Working Capital Changes		7,535,343,567	6,162,446,750	6,715,166,285	5,354,200,811
(Increase)/Decrease in Inventories		(506,561,701)	(3,131,028,699)	(145,070,262)	(3,126,714,278)
Decrease in Trade and Other Receivables		(115,705,636)	(2,156,777,306)	570,933,076	(1,543,995,479)
Decrease in Trade and Other Payables		(4,950,246,221)	828,485,384	(6,499,920,361)	1,268,117,931
Cash Generated from Operations		1,963,030,009	1,703,126,129	641,108,738	1,951,608,984
Finance Cost Paid		(1,358,082,699)	(272,745,823)	(1,569,704,826)	(306,524,855)
Employee Benefits Liabilities Paid	23	(43,691,792)	(22,453,952)	(40,794,643)	(22,453,952)
Warranty Charges Paid	22	(281,649,290)	(184,457,891)	(281,649,290)	(184,457,891)
Income Tax Paid		(945,445,292)	(949,547,380)	(650,924,714)	(690,290,003)
Net Cash Flows Generated/ (Used in) Operating Activities		(665,839,064)	273,921,083	(1,901,964,735)	747,882,283
Cash Flows from / (Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	8	(1,386,843,469)	(1,176,837,061)	(175,756,298)	(177,497,220)
Acquisition of Intangible Assets	11	(1,180,375)	(203,158)	-	(203,158)
Proceeds from Sale of Property, Plant and Equipment		4,554,377	13,739,094	4,231,199	13,738,084
Proceeds from/ Investment in Other Investments		1,985,993,950	(2,044,425,416)	1,567,269,863	(901,349,863)
Dividend Received		10,548,205	33,374,810	(12,265,335)	32,344,521
Right Issue		88,820,088	-	-	-
Proceeds From disposal of Subsidiaries	28	-	6,136,000	(135,864,656)	(75,000,010)
Securities Purchased under Repurchase Agreement		(16,282,795)	687,186,533	-	-
Net Cash Flows Generated/ (Used in) Investing Activities		685,609,981	(2,481,029,199)	1,247,614,773	(1,107,967,646)
Cash Flows from (Used in) Financing Activities					
Lease Rentals Paid	27.1	(1,005,603,881)	(940,070,325)	(955,056,379)	(888,180,418)
Proceeds from Import Financing Loans	21.	11,618,146,003	21,678,213,080	11,618,146,003	21,678,213,080
Repayment of Import Financing Loans	21.	(10,272,644,131)	(20,627,754,730)	(10,272,644,131)	(20,627,754,730)
Proceeds from Bank Loans	21.	7,696,643,506	8,819,244,883	6,950,710,655	8,054,244,883
Repayment of Bank Loans	21.	(5,362,466,538)	(7,073,006,655)	(5,228,366,719)	(6,910,827,623)
Proceeds from Commercial Papers	21.	496,096,637	46,484,906	496,096,637	46,484,906
Repayment of Commercial Papers	21.	(923,155,110)	299,506,825	(532,363,296)	(44,936,750)
Repayment of Debentures - Listed - Unsecured	21.	(31,250,000)	(33,904,310)	(31,250,000)	(33,904,310)
Proceeds from Securitization	21.	1,235,052,514	997,030,982	-	-
Repayment of Securitization		(1,853,241,263)	-	-	-
Dividends Paid	7.2	(1,710,404,554)	(159,985,700)	(1,710,404,554)	(159,985,700)
Net Cash Flows Used in Financing Activities		(112,826,817)	3,005,758,957	334,868,216	1,113,353,338
Net Increase/(Decrease) in Cash and Short - Term Deposits		(93,055,900)	798,650,841	(319,481,746)	753,267,975
Cash and Short - Term Deposits at the beginning of the Year	18	1,439,150,055	640,499,214	1,291,672,419	538,404,444
Cash and Short - Term Deposits at the end of the Year	18	1,346,094,155	1,439,150,055	972,190,673	1,291,672,419
Analysis of cash and cash equivalents					
Cash in hand and at bank	18.1	1,401,635,274	1,492,904,237	1,013,807,265	1,308,600,954
Bank Overdraft	18.2	(55,541,119)	(53,754,182)	(41,616,592)	(16,928,535)
Cash and cash equivalents at the end for the purpose of statement of cash flow		1,346,094,155	1,439,150,055	972,190,673	1,291,672,419

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 68 to 153 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Reporting Entity

Abans PLC is a Limited Liability Company incorporated and domiciled in Sri Lanka and listed in Colombo Stock Exchange. The registered office of the Company and the principal place of business are situated at No. 498, Galle Road, Colombo 03. The staff strength of the Company as at 31st March 2023 was 1,603 (2022 - 1,850)

1.2 Consolidated Financial Statements

The consolidated financial statements of Abans PLC, as at and for the year ended 31st March 2023, encompasses the Company, its subsidiaries (together referred to as the "Group") and the Group's interests in Equity Accounted investees (Associates and Joint Ventures).

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent entity as at 31st March 2023 is Abans Retail Holdings (Pvt) Ltd and the ultimate parent of the Company is Abans International (Pvt) Ltd. On 29th March 2018 Abans Retail Holdings (Pvt) Ltd acquired entire shares of Abans PLC. and became a wholly owned Subsidiary of Abans Retail Holdings (Pvt) Ltd.

1.4 Approvals of Financial Statements

The Financial Statements of Abans PLC and Its Subsidiaries for the year ended 31st March 2023 were authorized for issue in accordance with a resolution of the board of directors on the 26th June 2023.

1.5 Directors' Responsibility Statement

The Board of Directors acknowledges their responsibility for financial statements as set out in the "Annual Report of the Board of Directors".

1.6 Principal Activities & Nature of Operations

Parent Company- Abans PLC

During the year, the principal activities of the Company were importing and marketing of electrical and electronic home appliances, crockery and cookware, sanitary and light fittings, a host of other household items, footwear and textile and carrying out electro-mechanical contract work.

Subsidiary - Abans Finance PLC

During the year, the principal activities of the Company were acceptance of Deposits, granting Lease facilities, Hire Purchase, Mortgage Loans and other credit facilities, Real Estate Development and related services.

Subsidiary - AB Manufacturing (Pvt) Ltd

During the year, the principal activities of the Company were to manufacture and sale of Refrigerators, washing machines.

Other Subsidiaries

Apart from above, the group also hold A.B Suncity (Pvt) Ltd, the subsidiary which holds the group's investment in Colombo City Centre Partners (Pvt) Ltd.

Associate - Abans Electricals PLC

The principal activities of the Company were manufacturing and assembling household electrical and electronic appliances and providing repairs and maintenance and technical services of similar type of appliances.

Associate - Colombo City Centre Partners (Pvt) Limited

The principal activity of the Company is to carry out mix development project. The project consists of mall, residency and a hotel.

2. GENERAL ACCOUNTING POLICIES**2.1 Basis of Preparation and Measurement**

The Financial Statements of the company and group have been prepared on the historical cost basis, except for Land and Buildings, Fair value through profit or loss financial assets. As per SLFRS 9- Financial Assets FVTOCI and defined benefit plans which are measured at present value of retirement benefits obligation as explained in the respective notes in the financial statement.

2.1.1 Statement of Compliance

The Financial Statements of the company and group which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows together with the Accounting Policies and Notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

2.1.2 Changes in Accounting Policies

The accounting policies adopted by the Group are consistent with those used in the previous financial year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.1.3 Comparative Information

The presentation and classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year. Details of comparative information where presentation and classification have been amended are more fully described in note 33.

NOTES TO THE FINANCIAL STATEMENTS

2.1.4 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2023, based on available information, the management has assessed the existing and anticipated effects of prevailing pandemic and current political and socio-economic status on the Group of Companies and the appropriateness of the use of the going concern basis.

Amidst battling the worst ever economic and political crisis faced by the country, the strategic initiatives taken by the Group has allowed the business to be more robust during these challenging market conditions.

Diversity of our portfolio, cost management, profitability, the ability to defer non-essential capital expenditure, Strong market share, strong gearing position, strong relationship with financial institutions and the relationship with our principals are likely to enable resilience. The stringent government policy decisions on imports of non-essentials will give the Group an opportunity to increase the competitive edge over its competitors due to strong virtual presence, strong inventory position and diversified portfolio out of which few fast-moving products sourced through Group's manufacturing arm.

Capital Expenditure on projects have been limited and only operational capital expenditure is incurred which are essential for the core business. Management is confident of getting trade debt collected within the credit period without being overdue whilst inventory levels are strategically monitored to achieve company goals.

Abans Group do not anticipate any significant change or impairment in fair-values of the assets in the Balance Sheet due to economic recession related or other impacts.

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

2.1.5 Presentation and Functional Currency

The Financial Statements are presented in Sri Lankan Rupees (LKR), the Group functional and presentation currency, which is the primary economic environment in which the Holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

2.1.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Group and its Subsidiaries as at 31 March 2023. Control is achieved when the Group is exposed or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. Existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its return

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual agreement(s) with the other vote holders of the investee
- Rights arising from other contractual agreements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the Subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

NOTES TO THE FINANCIAL STATEMENTS

2.3 Summary of Significant Accounting Policies

2.3.1 Investment in an Associate and Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of Profit or Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the Subsidiaries of the associate or joint venture.

The Financial Statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit or Loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the separate Financial Statements, Investment in Joint Ventures and Investments in Associates are carried at cost.

2.3.2 Transactions with Non-Controlling Interests

The profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the parent, directly or indirectly through subsidiaries, is disclosed separately under the heading 'Non- controlling Interest'.

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.3.3 Current Versus Non-Current Classification

The Group presents assets and liabilities in the 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 the 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 the 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
- Or
- It does not have a right at the reporting date 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

2.3.4 Fair Value Measurement

The Group measures financial instruments such as investment in equity securities and non-financial assets such as land and buildings, at fair value at each balance sheet date. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (Notes 8.13, 9.2 & 25.3)
- Quantitative disclosures of fair value measurement hierarchy (Note 25.2)
- Property, plant and equipment under revaluation model (Note 08)
- Financial instruments (including those carried at amortised cost) (Note 25.1)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described in Note 25.2.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as employee benefit liability.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.3.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue and associated costs incurred or to be incurred can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes. The following specific recognition criteria are used for the purpose of recognition of revenue that are in the scope of SLFRS 15:

2.3.5.1 Sale of Goods and Services

Revenue from sale of equipment is recognised at the point in time when control of the asset is transferred to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., subsequent services, customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer.

(a) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(b) Warranty Obligation

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section (Significant accounting judgments, estimates and assumptions)

(c) Loyalty points programme

The Group has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

(d) Free services/maintenance

The Group recognises revenue from free services/maintenance over time, using an input method to measure progress towards satisfaction of the free services/maintenance over time. Group recognize the deferred revenue arisen from future free services/maintenance and charge it to the revenue subsequently as above mentioned.

NOTES TO THE FINANCIAL STATEMENTS

2.3.5.2 Interest income and Interest Expense

Interest income and interest expense is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI under SLFRS 9, similarly to interest bearing financial assets classified as available-for-sale or held to maturity under LKAS 39 is also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

The EIR (and therefore, the amortised cost of the asset/liability) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including pre-payments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset/liability are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the Statement of Financial Position with an increase or reduction in interest income/interest expense. The adjustment is subsequently amortised through Interest income/Interest expense in the income statement.

When a financial asset becomes credit-impaired (as set out in Note 25.4.1) and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate under net interest income.

Fee and Commission Income and Expenses

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Fee and Commission income – including account Credit related fees & commission, Service charge, Transfer Fees and other fees income – is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Fees earned for the provision of services over a period of time are accrued over that period

A contract with a customer that results in a recognised financial instrument in the Company's financial statements may be partially in the scope of SLFRS 9 and partially in the scope of SLFRS 15. If this is the case, then the Company first applies SLFRS 9 to separate and measure the part of the contract that is in the scope of SLFRS 9 and then applies SLFRS 15 to the residual.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

2.3.5.3 Income from Government Securities and Securities purchased under Re-Sale Agreement

Discounts/ premium on Treasury bills & Treasury bonds are amortised over the period to reflect a constant periodic rate of return. The coupon interest on treasury bonds is recognised on an accrual basis. The interest income on securities purchased under resale agreement is recognised in the Income Statement on an accrual basis over the period of the agreement.

2.3.5.4 Dividend

Dividend income is recognised in profit or loss on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

2.3.5.5 Gains and losses

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognised net within "other income" in profit or loss.

2.3.5.6 Other income

Other income is recognized on an accrual basis.

2.3.6 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.

2.3.7 Finance Costs

Finance costs comprise interest expense on borrowings and financial leases that are recognised in the statement of profit or loss. The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.3.8 Taxes**2.3.9.1 Current Income Tax**

Current income tax assets and liabilities 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 substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.3.9.2 Deferred Taxation

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

NOTES TO THE FINANCIAL STATEMENTS

- When the deferred tax liability arises from the initial recognition of goodwill or 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
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 credits and unused tax losses can be utilised, except:

- When the deferred 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
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.3.9.3 Sales Tax

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
- When receivables and payables are stated with the amount of sales tax included
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.

2.3.9.4 VAT on Financial Services

VAT on Financial Services is calculated in accordance with VAT Act No. 14 of 2002 and subsequent amendment thereto.

2.3.9 Foreign Currencies

The Financial Statements are presented in Sri Lanka Rupees, which is the Group's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

2.3.10 Property, Plant and Equipment

Property, plant and equipment are recognised 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.

Plant and equipment, construction in progress except for land & building are stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing component parts of the Property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

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A revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

A transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets are disclosed in Note 8.11

An item of property, plant and equipment are derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the statement of profit or loss in the year the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.3.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Lease hold Lands - 99 Years
- Lease hold Buildings – 5 to 15 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed in Note No 29.1.2.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable

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rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.3.12 Investment Properties

Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the 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. Fair values are evaluated with sufficient frequency by an accredited external, independent valuer. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on retirement or disposal are recognised in the statement of profit or loss in the year of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use for a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted using Group accounting policy for property, plant and equipment.

2.3.13 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit or Loss when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite live are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of Profit or Loss when the asset is derecognised.

2.3.15 Financial Instruments-Initial Recognition, Classification and Subsequent Measurement

2.3.15.1 Date of Recognition

All financial assets and liabilities are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument. This includes "regular way trades". Regular way trade means purchases or sales of financial assets with in the time frame generally established by regulation or convention in the market place.

2.3.15.2 Initial measurement of Financial Instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL), transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for "Day 1 profit or loss", as described below.

2.3.15.3 'Day 1' profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Company recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in the Income Statement over the tenor of the financial instrument using effective interest rate method. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the Income Statement when the inputs become observable, or when the instrument is derecognised.

2.3.15.4 Measurement categories of Financial Assets and Financial Liabilities

On initial recognition, a financial asset is classified as measured at,

- Amortised cost,
- fair value through other comprehensive income (FVOCI) or
- Fair value through profit or loss. (FVPL)

Financial liabilities are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

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2.3.15.4(i). Financial Assets at Amortised cost:

The Group only measures loans, receivables, and other financial investments, 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
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial Assets consist of cash and bank balances, securities purchased under repurchase agreements, placement with banks, lease rentals receivable & stock out on hire, loan receivables, and other financial assets.

The categorization of the financial assets is based on the Satisfaction of SPPI Test by the financial assets and the business model applicable thereto.

Business model assessment

The Group determines its business model at the level that best reflect how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair values of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms of that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

2.3.15.5 (ii) **Equity instruments at FVOCI**

Upon initial recognition, the Group occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of Equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Currently, the Group has recorded its non- quoted equity investments FVOCI at cost less ECL if any. The details of equity instruments at FVOCI are given in Note 14 to the Financial Statements.

2.3.15.6 (iii) **Debt issued and other borrowed funds**

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

Currently, the Group has recorded Debt issued and other borrowed funds as Financial Liabilities at Amortised Cost in the form of term loans, short term loans and securitizations.

2.3.15.7 **Classification and Subsequent Measurement of Financial Liabilities**

Financial liabilities, other than loan commitments and financial guarantees, are classified as,

- (i) Financial liabilities at Fair Value through Profit or Loss (FVTPL)
 - a) Financial liabilities held for trading
 - b) Financial liabilities designated at fair value through profit or loss
- (ii) Financial liabilities at amortised cost, when they are held for trading and derivative instruments or the fair value designation is applied.

The subsequent measurement of financial liabilities depends on their classification.

i. **Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)**

Financial Liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Subsequent to initial recognition, financial liabilities at FVTPL are fair value, and changes therein recognized in Income Statement.

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ii. Financial Liabilities at Amortised Cost

Financial Instruments issued by the Group that are not designated at fair value through profit or loss, are classified as financial liabilities at amortised cost under 'bank overdraft', 'due to other customers', 'debt issued and other borrowed funds' and 'other payables' as appropriate, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial assets for a fixed number of own equity shares at amortised cost using EIR method.

After initial recognition, such financial liabilities are substantially measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are integral part of the EIR. The EIR amortisation is included in 'interest expenses' in the Income Statement. Gains and losses are recognized in the Income Statement when the liabilities are derecognised as well as through the EIR amortisation process.

Currently, the Group has recorded Debt issued and other borrowed funds as Financial Liabilities at Amortised Cost in the form of term loans, short term loans and debentures.

2.3.15.8 Reclassifications of Financial assets and Financial Liabilities

From 01 April 2022, the Group did not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in 2021/2022.

2.3.15.9 Derecognition of Financial Assets and Financial Liabilities

2.3.15.9 (a) Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset, if and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises as associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2.3.15.9 (b) Derecognition - Financial Liabilities

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

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2.3.15.10 Determination of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The disclosure of fair value of financial instruments is disclosed in Note 25.3 to the Financial Statements.

2.3.15.11 Impairment of Financial Assets

a. Overview of the expected credit loss (ECL) principles

The Group recognises expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment under SLFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below.

- Stage 1:** When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
- Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
- Stage 3:** Loans considered credit-impaired. The Group records an allowance for the LTECLs.
- POCI:** Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

b. The Calculation of Expected Credit Loss (ECL)

The Group calculates ECLs based on four probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

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The mechanics of the ECL calculations are outlined below and the key elements are, as follows.

- PD** : The probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD** : The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued interest from missed payments.
- LGD** : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanism of the ECL methods are summarised below.

- Stage 1** : The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation of the original EIR.
- Stage 2** : When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3** : For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan Commitments:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the Loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. ECLs are calculated and presented with the loan.

Financial Guarantee contracts:

The Group's liability under each guarantee is measured at the higher of the initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability – weighting of the four scenarios. The ECLs related to financial guarantee contracts are recognised within provisions.

c. Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the Statement of Financial Position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to Income Statement. The accumulated loss recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

d. Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rate
- Central Bank base rates
- Inflation

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the Financial Statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

2.3.15.11 Reversals of impairment

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the income statement.

2.3.15.12 Renegotiated Loans

The Group makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan reinitiated when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Renegotiated loans may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of the terms. It is the Group's policy to monitor renegotiated loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 renegotiated asset until it collected or written off.

From 1 January 2018, when the loan has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk, as set out in Note 25.4.1. The Group also considers whether the assets should be classified as Stage 3.

If modifications are substantial, the loan is derecognised as explained in Note 2.3.15.9.

NOTES TO THE FINANCIAL STATEMENTS

2.3.15.13 Write-off of Financial Assets at Amortised Cost

The Group's accounting policy under SLFRS 9 remains the same as it was under LKAS 39. Financial Assets (and the related impairment allowance accounts) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, this is generally after receipt of any proceeds from the realisation of security.

2.3.15.14 Collateral Valuation

The Group seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, gold, securities, letter of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the guidelines issued by the Central Bank of Sri Lanka.

To the extent possible, the Group uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Nonfinancial collateral, such as real estate, is valued based on data provided by third parties such as independent valuers, Audited Financial Statements and other independent sources.

2.3.15.15 Collateral repossessed

The Group's accounting policy under SLFRS 9 remains same as it was under LKAS 39. The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations will be transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset.

2.3.15.16 Offsetting Financial Assets and Liabilities

Financial assets and financial liabilities are off set and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the Statement of Financial Position.

Income and expenses are presented on a net basis only when permitted under LKAS/ SLFRS, or for gains and losses arising from a group of similar transactions such as in the group's trading activity.

2.3.15.17 Other Financial Assets

Other Financial Assets includes the Other Receivables and Refundable Deposits. Refundable Deposits are initially recorded at Fair value and subsequently measured and amortized cost.

2.3.15.18 Other Financial Liabilities

Other Financial liabilities including Due to Customer (Deposits), Due to Banks, Debt issued and other borrowed funds are initially measured at fair value less transaction cost that are directly attributable to the acquisition and subsequently measured at amortised cost using the Effective Interest Rate method.

Amortised cost is calculated by taking in to account any discount or premium on the issue and costs that are an integral part of the Effective Interest Rate.

a) Renegotiated Loans

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to a criterion are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR.

2.3.16 Repurchase Agreement

Securities purchased under agreements to resell at a specified future date are not recognised in the Statement of Financial Position. The consideration paid, including accrued interest, is recorded in the Statement of Financial Position, reflecting the transaction's economic substance as a loan by the Group. The difference between the purchase and resale prices is recorded in 'Net interest income' and is accrued over the life of the agreement using the EIR.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within 'Financial liabilities held for trading' and measured at fair value with any gains or losses included in 'Net trading income'.

2.3.17 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow-moving items. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The provision for obsolete and slow-moving items is based on periodical reviews performed by the Group. All inventory provisioning requires a level of judgement on how the condition of inventory is impacted by factors such as Shelf life.

NOTES TO THE FINANCIAL STATEMENTS

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae: -

Trading Stock	-	At Actual Cost, based on specific identification
Work-in-Progress	-	At the cost of direct materials, direct labor and an appropriate proportion of fixed production overheads based on normal operating capacity.
Goods in Transits	-	At Purchase Price

2.3.18 Real Estate Stock

Real estate stock comprises all costs of purchase, cost of conversion and other costs incurred in bringing the real estate to its saleable condition.

Purchase Cost	-	Land Cost with legal charges
Cost of Conversion	-	Actual Development Cost

2.3.19 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 higher of asset's or cash generating units (CGU) fair value less costs to sell and its value in use.

It 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 or CGU 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income.

In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. For assets excluding goodwill, 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. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.3.20 Cash and Short-Term Deposits

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Consolidated Statement of Cash Flows, cash and short-term deposits consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.3.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.3.22 Employee Benefits

2.3.22.1 Defined Benefit Plan – Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Group measures the cost of defined benefit plan-gratuity, every financial year using the Projected Unit Credit Method, as recommended by LKAS 19 – Employee Benefits, with the advice of an actuary.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 23.3. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 - Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

Actuarial gains and losses are recognised in the Statement of Other Comprehensive Income (OCI) in the period in which it arises.

The item is stated under Employee Benefit Liability in the Statement of Financial Position.

This is not an externally funded defined benefit plan.

NOTES TO THE FINANCIAL STATEMENTS

2.3.22.2 Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

All employees who are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions are covered by relevant contribution funds in line with respective statutes and regulations. The Group contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.3.23 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect Method"

Regulatory provisions

a Statutory Reserve Fund

The statutory reserve fund is maintained as required by Finance Companies (Capital Funds) Direction No.1 of 2003 issued by Central Bank of Sri Lanka. As per the said Direction, every Registered Finance Group shall maintain a reserve fund, out of the net profit for each year after provisions for taxation and bad and doubtful debts. Accordingly, 20% of the net profit for the year transferred to Reserve Fund as required by Section 3(b) ii of the said Direction.

b Deposit Insurance and Liquidity Support Scheme

In terms of the Finance Group's Act Direction No. 2 of 2010 "Insurance of Deposit Liabilities" issued on 27 September 2010 and subsequent amendments there to all Registered Finance Companies are required to insure their deposit liabilities in the Deposit Insurance Scheme operated by the Monetary Board in terms of Sri Lanka Deposit Insurance Scheme Regulations No. 1 of 2010 issued under Sections 32E of the Monetary Law Act with effect from 1 October 2010. The said scheme was renamed as the "Sri Lanka Deposit Insurance and Liquidity Support Scheme" as per the Sri Lanka Deposit Insurance and Liquidity Support Scheme Regulation No. 1 of 2013.

Deposits to be insured include demand, time and savings deposit liabilities and exclude the following;

- a) Deposit liabilities to member institutions
- b) Deposit liabilities to Government of Sri Lanka
- c) Deposit liabilities to Directors, key management personnel and other related parties as defined in Banking Act Direction No 11 of 2007 on Corporate Governance of Licensed Commercial Banks
- d) Deposit liabilities held as collateral against any accommodation granted
- e) Deposit liabilities falling within the meaning of abandoned property in terms of the Banking Act and dormant deposits in terms of the Finance Companies Act funds of which have been transferred to Central Bank of Sri Lanka.

Registered Finance Companies are required to pay a premium of 0.15% on total amount of eligible deposits as at end of the month with in a period of 15 days from the end of the respective month

c Crop Insurance Levy (CIL)

In terms Section 15 of the Finance Act No 12 of 2013 all institutions under the purview of Banking Act No 30 of 1988, Finance companies Act No 78 of 1988 and Regulation of Insurance Industry Act No 43 of 2000 are required to pay 1% of the profit after tax as Crop Insurance Levy to the National Insurance Trust Fund Board effective from 01 April 2013.

Interest paid is classified as operating cash flow. Dividend received and investments in joint venture are classified as cash flows from investing activities. Dividend paid are classified as financing cash flows.

2.3.24 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Or
- Is a subsidiary acquired exclusively with a view to resale?

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

The Group ceases to classify non-current assets or disposal groups as held for sale when the above criteria for such classification are no longer met. Financial statements for the periods since classification as held for sale are amended accordingly if the disposal group or non-current asset that ceases to be classified as held for sale is a subsidiary, joint operation, joint venture, associate, or a portion of an interest in a joint venture or an associate. When the Group ceases to classify such component as held for sale, the results of operations of the component previously presented in discontinued operations are reclassified and included in income from continuing operations for all periods presented. The amounts for prior periods are described as having been re-presented.

The Group measure a non-current asset or disposal group that ceases to be classified as held for sale at the lower of;

- its carrying amount before the asset or disposal group was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and
- its recoverable amount at the date of the subsequent decision not to sell.

Additional disclosures are provided in Note 27. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

NOTES TO THE FINANCIAL STATEMENTS

2.4 EFFECT OF ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE:

The following SLFRS have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future and have not been applied in preparing these financial statements.

SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace IFRS 4 Insurance Contracts (SLFRS 4). SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2025, with comparative figures required. However, SLFRS 17 will be neither affected nor applied to the Group since Group has not been engaged in Insurance contracts.

Definition of Accounting Estimates - Amendments to LKAS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies - Amendments to LKAS 1 and IFRS Practice Statement 2

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies

- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Classification of Liabilities as Current or Non-current - Amendments to LKAS 1

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify –

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with SLFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the accounting policies, management has made following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in these financial statements.

a) Revaluation of Property, Plant and Equipment and Investment properties

The Group uses the revaluation model for measurement of land and buildings which are recognised as property plant and equipment and fair valuation model for measurement of land and buildings which are recognised as investment property. The Group engaged independent expert valuers, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties.

Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. The valuation techniques used are appropriate in the circumstances, for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The changes in fair value of Investment properties are recognised in the Statement of Profit or Loss and the changes in Property Plant and Equipment are recognised in other comprehensive income and in the statement of equity.

Further details about revaluation of property, plant and equipment are given in Note 8.13 and investment properties in Note 9.2.

NOTES TO THE FINANCIAL STATEMENTS

b) Impairment losses on Loans and Advances (Finance Leases, Hire Purchases, Mortgage Loans, Revolving Loans and Business/Personal Loans)

The measurement of impairment losses under SLFRS 9 and LKAS 39 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their independencies. The elements of the ECL models that are considered accounting judgements and estimates include.

- The Company's internal credit grading system, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit loss (LTECL) basis and the qualitative assessment
- The segmentation of financial assets when their fair values when their ECL is assessed on a collective basis.
- Development of ECLs, models, including the various formulas and the choice of inputs
Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values and the effect on probability of default (PDs), Exposure at default (EADs) and loss given default (LGDs).
- Selection of forward –looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

c) Impairment of Non-Financial Assets

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.

d) Defined Benefit Plans

The cost as well as the present value of defined benefit plans - gratuity is determined using Actuarial Valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currency consistent with the currency of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases, and pension increases are based on expected future inflation rates.

Further details about defined benefit obligations are given in Note 23.

e) Deferred Tax

Deferred tax assets are recognised for 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 the level of future taxable profits together with future tax planning strategies.

f) Transfer Pricing

The Group is subject to income taxes and other taxes including transfer pricing regulations. Management has used its judgement on the application of such laws and regulations aspects including but not limited to identifying associated undertaking, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

g) Warranty Provision

Provisions for warranty-related costs are recognised when the product is sold, or service provided to the customer. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated possibilities.

This represents a general provision for future warranty expenses on sales up to the end of the financial period based on past trend for warranty claims. Due to the significance of the estimation made by the Company the actual payment could vary from the provision made.

H) Right-of-Use Assets and Operating Lease Liability

The Group uses its judgment to determine whether an operating lease contract qualifies for recognition of right-of-use assets. The Group applies judgements in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic benefit for it to exercise either the renewal or termination. Further, the Group cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate to measure operating lease liability. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in similar economic environment

NOTES TO THE FINANCIAL STATEMENTS

4. SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Group's other components. All operating segments' operating results are reviewed regularly by the Chairman to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chairman include items directly attributable to a segment as well as those that can be allocated on reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets.

4.SEGMENT REPORTING (Contd...)

Segment Information

For management purposes, the Group is organised into business units based on their products and services and has two reportable segments, as follows:

Trading

This segment includes importing and marketing of electrical and electronic home appliances, crockery and cookware, sanitary and light fittings, a host of other household items, foot wares and textile and carrying out electro mechanical contract work.

Financial Services

The Financial Services segment provide services such as, acceptance of Deposits, granting Lease facilities, Hire Purchase, Mortgage Loans and other credit facilities, Real Estate Development and related services.

	Trading		Manufacturing		Financial Services		Total	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR	2023 LKR	Re-Presented 2022 LKR	2023 LKR	Re-Presented 2022 LKR
Revenue	31,989,444,220	42,816,093,585	764,775,148	-	2,845,374,411	2,100,182,143	35,599,593,779	44,916,275,728
Segment Results (Operating Profit)	4,652,422,940	3,652,857,889	130,340,308	-	699,903,667	753,485,259	5,482,666,915	4,406,343,148
Finance Costs	(1,997,646,121)	(550,724,188)	(211,257,970)	-	(17,408,500)	(13,543,777)	(2,226,312,591)	(564,267,965)
Finance Income	409,617,281	85,792,004	-	-	-	-	409,617,281	85,792,004
Change in Fair Value of Investment Properties	10,100,000	43,347,613	-	-	-	-	10,100,000	43,347,613
Profit before Income Tax	3,074,494,100	3,231,273,318	(80,917,662)	-	682,495,167	739,941,482	3,676,071,605	3,971,214,800
VAT on Financial Services	(4,432,103)	(7,195,603)	-	-	(149,266,744)	(124,703,277)	(153,698,847)	(131,898,880)
Income Tax Expense	(708,345,179)	(598,355,299)	27,825,935	-	(178,165,932)	(184,929,414)	(858,685,176)	(783,284,713)
Profit for the year	2,361,716,818	2,625,722,416	(53,091,727)	-	355,062,491	430,308,791	2,663,687,582	3,056,031,207
Consolidation Adjustment	-	728,828,809	-	-	-	-	-	728,828,809
Share of Profit of Equity Accounted	-	-	-	-	-	-	-	-
Investee (Net of Tax)	-	-	-	-	-	-	826,188,298	(14,820,083)
Profit for the year	2,361,716,818	3,354,551,225	(53,091,727)	-	355,062,491	430,308,791	3,489,875,880	3,770,039,933

	Trading		Manufacturing		Financial Services		Total	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR	2023 LKR	Re-Presented 2022 LKR	2023 LKR	Re-Presented 2022 LKR
Assets and Liabilities								
Non Current Assets	7,568,717,789	5,064,641,839	2,157,037,990	976,882,658	1,560,460,388	5,006,224,176	11,286,216,167	11,047,748,673
Current Assets	19,631,632,578	25,698,341,905	639,192,420	113,996,042	9,628,199,837	5,448,979,872	29,899,024,835	31,261,317,819
Total Assets	27,200,350,367	30,762,983,744	2,796,230,410	1,090,878,700	11,188,660,225	10,455,204,048	41,185,241,002	42,309,066,492
Liabilities								
Non-Current Liabilities	2,442,726,558	4,310,064,823	1,110,081,937	765,000,000	454,497,698	661,684,056	4,007,306,193	5,736,748,879
Current Liabilities	12,056,732,021	14,585,034,205	1,621,072,294	250,878,690	7,764,199,140	7,368,402,016	21,442,003,455	22,204,314,911
Total Liabilities	14,499,458,579	18,895,099,028	2,731,154,231	1,015,878,690	8,218,696,838	8,030,086,072	25,449,309,648	27,941,063,790

Other Disclosures

Amortization of Intangible Assets	1,173,680	6,034,799	-	-	6,004,183	5,915,656	7,177,863	11,950,455
Depreciation for the Year	164,415,392	141,392,551	-	-	22,374,991	15,775,816	186,790,383	157,168,367
Purchase of Property, Plant and Equipment	226,750,686	177,497,220	1,109,742	976,882,658	-	22,457,183	227,860,428	1,176,837,061
Purchase of Intangible Assets	-	203,158	-	-	1,180,375	-	1,180,375	203,158
Expenses on Employee Benefit Liability	70,909,921	48,204,969	(1,276,868)	-	9,287,346	5,261,365	78,920,399	53,466,335
Deferred Tax Assets	509,462,107	338,476,621	20,039,694	-	(13,251,026)	(13,298,360)	516,250,775	325,178,261
Deferred Tax Liabilities	92,570,706	86,447,977	-	-	-	-	92,570,706	86,447,977

Summarised Statement of Cash Flows

Net Cash flow from operating activities	(1,544,648,564)	2,296,002,290	42,704,587	(3,314,421)	836,104,913	(592,876,161)	(665,839,064)	1,699,811,708
Net Cash flow from investing activities	1,652,872,660	(1,669,685,470)	(1,170,604,869)	(1,022,321,160)	203,342,190	(811,343,729)	685,609,981	(3,503,350,359)
Net Cash flow from financing activities	(473,252,378)	1,870,060,293	1,151,000,000	1,006,790,434	(790,574,439)	1,135,698,663	(112,826,817)	4,012,549,390
Net Increase/(Decrease) in Cash and Cash Equivalents	(365,028,282)	2,496,377,114	23,099,718	(18,845,147)	248,872,664	(268,521,227)	(93,055,900)	2,209,010,739

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE/OTHER INCOME AND EXPENSES

Revenue

Sale of Goods Revenue is recognised upon satisfaction of performance obligation.

Revenue from sale of goods is recognised when the control of goods have been transferred to the buyers, usually on delivery of the goods.

Interest income and expenses

5.1 Revenue from Contract with customers

	2023 LKR	Re-Represented 2022 LKR	2023 LKR	2022 LKR
Gross Revenue	35,599,593,779	44,916,275,728	32,629,450,511	42,818,157,810
Net Revenue	35,599,593,779	44,916,275,728	32,629,450,511	42,818,157,810

5.2 Other Operating Income

Dividend income is recognised when the Group's right to receive the payment is established.

Rental income is recognised on an accrual basis.

Commission income is recognised as the related services are performed.

Sundry income is recognised on an accrual basis.

	2023 LKR	Re-Represented 2022 LKR	2023 LKR	2022 LKR
Dividend Income	1,717,139	26,015,604	12,265,335	32,344,521
Commission Income	47,079,113	50,195,130	47,079,113	46,454,213
Rent Income	5,111,804	10,916,580	5,111,804	10,916,580
Sundry Income	129,028,069	142,355,069	106,362,431	119,382,927
Gain/(Loss) on Investment Disposal	-	-	-	1,136,000
Profit / (Loss) from Disposal of Assets	(11,599,899)	2,369,166	(10,711,703)	2,365,176
Fines and Surcharges	14,964,103	7,839,428	14,964,103	7,839,428
	186,300,329	239,690,977	175,071,083	220,438,845

* Gain/(Loss) from Investment disposal comprise the disposal of AB Technologies (Pvt) Ltd & AB Sun City (Pvt) Ltd (Note 27.3)

5.3 Finance Cost

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

No borrowing cost has been incurred by the Group and the Company on qualifying assets during the current financial year and year 2021/22.

	2023 LKR	Re-Represented 2022 LKR	2023 LKR	2022 LKR
Interest Expense on Overdrafts	12,059,964	1,070,507	7,897,927	1,070,507
Interest Expense on Borrowings	1,824,143,513	309,091,328	1,617,047,580	309,091,328
Interest Expenses on Lease Liabilities	358,913,597	222,856,130	341,505,097	209,312,354
Debenture Interest	31,195,517	31,250,000	31,195,517	31,250,000
	2,226,312,591	564,267,965	1,997,646,121	550,724,189

5.4 Finance Income

	2023 LKR	Re-Represented 2022 LKR	2023 LKR	2022 LKR
Interest Income on Debtors	-	-	-	-
Interest Income on Staff Loans	523,251	1,770,528	523,251	1,770,528
Interest Income on Bank Deposits	409,094,030	84,021,476	409,094,030	84,021,476
	409,617,281	85,792,004	409,617,281	85,792,004

5.5 Profit Before Tax

Group classifying expenses by "function".

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 income statement.

Stated after Charging /(Crediting) all expenses and Income including the Followings

	2023 LKR	Re-Represented 2022 LKR	2023 LKR	2022 LKR
Employees Benefits including the following				
- Defined Benefit Plan Costs - Gratuity	79,698,919	53,466,335	70,909,921	48,204,969
- Defined Contribution Plan Costs - EPF & ETF	342,165,893	373,024,522	306,726,408	343,075,449
Amortization of Intangible Assets	7,177,863	11,950,455	1,173,680	6,034,799
Director's Emoluments	70,188,130	69,568,130	63,848,130	63,808,130
Legal Fees	12,443,000	13,393,997	3,849,209	6,666,072
Donation	2,893,423	1,049,475	2,654,745	1,024,475
Staff Cost	1,886,501,828	1,707,393,970	1,520,702,868	1,406,220,239
Amortisation of Right of use Assets	736,036,894	743,297,963	692,064,623	732,936,020
Depreciation	229,343,738	188,236,516	171,117,886	141,392,551
Exchange (Gains)/Loss	(52,591,249)	(129,777,725)	(52,591,249)	(129,777,725)
Auditors' Fees	5,517,780	4,468,050	2,271,114	2,024,654
Transport Costs	18,494,962	18,182,506	17,855,962	18,182,506
Advertising Costs	553,926,322	684,919,802	549,089,933	677,562,656

6. INCOME TAX

6.1 Statement of Profit or Loss

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Current Income Tax:				
Current Tax Expense for the Year (Note 6.3)	1,107,515,956	846,477,210	922,429,217	684,090,029
Under Provision of Taxes in respect of Prior Year	13,817,781	(23,951,932)	13,817,781	(23,951,932)
Deferred Tax:				
Deferred Taxation Charge/(Reversal)	(262,648,561)	(39,240,565)	(234,071,883)	(68,624,599)
Income Tax Expense Reported in the Statement of Profit or Loss	858,685,176	783,284,713	702,175,115	591,513,498

6.2 Statement of Other Comprehensive Income

Deferred Tax Related to Items Charged or Credited to Other Comprehensive Income:				
Revaluation Gains from Land and Buildings	69,964,552	-	55,107,687	-
Actuarial (Gain)/Loss on Employee Benefits Liabilities	7,734,224	6,381,955	7,931,376	5,810,685
Income Tax Charged Directly to Other Comprehensive Income	77,698,776	6,381,955	63,039,063	5,810,685

6.3 Reconciliation of Accounting Profit to Current Tax Expense/(Income)

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Accounting Profit (Profit before Tax) from Continuing Operations	4,502,259,903	3,956,533,579	3,144,632,488	3,235,080,062
Share of results of equity accounted investees (net of tax)	(826,188,298)	14,820,083	-	-
Other consolidation adjustments	1,789,305	(121,035,612)	-	-
Income not Subject to Tax	(250,980,124)	(559,400,710)	(250,980,124)	(559,400,710)
Adjusted accounting profit chargeable to income taxes from Continuing Operations	3,426,880,786	3,290,917,340	2,893,652,364	2,675,679,352
Accounting Profit (Profit before Tax) from Discontinued Operations	-	49,375	-	-
Adjusted accounting profit chargeable to income taxes from Discontinued Operations	-	49,375	-	-
Adjusted accounting profit chargeable to income taxes	3,426,880,786	3,290,966,715	2,893,652,364	2,675,679,352
Aggregate Disallowed Item	2,306,614,208	1,709,243,027	1,992,277,154	1,366,604,208
Aggregate Allowable Expenses	(2,018,815,264)	(1,557,003,672)	(1,834,154,505)	(1,239,396,514)
Taxable income	3,714,679,730	3,443,206,070	3,051,775,013	2,802,887,046
Other Sources of Income Liable for Tax	432,219,005	119,237,116	409,617,281	82,893,729
Business Profit/(Loss)	4,146,898,735	3,562,443,186	3,461,392,294	2,885,780,775
Taxable Income	4,146,898,735	3,562,443,186	3,461,392,294	2,885,780,775
Tax Loss Utilized	-	-	-	-
Total Assessable Income	4,146,898,735	3,562,443,186	3,461,392,294	2,885,780,775
Tax Rates at -				
30%	608,019,355	-	505,193,389	-
24%	486,415,484	834,580,910	404,154,711	672,193,729
14%	13,081,117	11,896,300	13,081,117	11,896,300
	1,107,515,956	846,477,210	922,429,217	684,090,029
Current Tax Expense for the Year from Continuing Operations	1,107,515,956	846,477,210	922,429,217	684,090,029
	1,107,515,956	846,477,210	922,429,217	684,090,029

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

6. INCOME TAX (Contd...)

6.4 Reconciliation between Current Tax Expense/(Income) and the Product of Accounting Profit

	Group		Company	
	2023 LKR	Re-Presented 2022 LKR	2023 LKR	2022 LKR
Adjusted accounting profit chargeable to income taxes from Continuing Operations	3,426,880,786	3,290,917,340	2,893,652,364	2,675,679,352
Tax effect on chargeable profits	913,363,405	781,624,829	769,391,731	633,967,712
Tax effect on non-deductible expenses	622,283,314	409,732,873	537,412,362	327,499,556
Tax effect on deductions claimed	(544,829,995)	(373,497,452)	(494,971,590)	(297,271,734)
Tax effect on Other sources of income	116,699,131	28,616,908	110,596,666	19,894,495
Under/(over) provision for previous years	13,817,781	(23,951,932)	13,817,781	(23,951,932)
Net tax effect of unrecognised deferred tax assets for the year	(262,648,508)	(39,240,512)	(234,071,883)	(68,624,599)
Tax expense	858,685,128	783,284,713	702,175,067	591,513,498
Income Tax Expense Reported in the Statement of Profit or Loss	858,685,128	783,284,713	702,175,067	591,513,498

6.5 Summarised Deferred Tax Assets, Liabilities and Income Tax relate to the following:

6.5.1 Reconciliation of Deferred Tax Asset

	Group		Company	
	2023 LKR	Re-Presented 2022 LKR	2023 LKR	2022 LKR
Balance as at 01 April	(325,178,261)	(272,179,487)	(325,178,261)	(262,364,347)
Charge/(Release) Made during the Year	(191,072,514)	(52,998,774)	(171,032,820)	(62,813,914)
Balance as at 31 March	(516,250,775)	(325,178,261)	(496,211,081)	(325,178,261)

6.5.2 Reconciliation of Deferred Tax Liability

Balance as at 01 April	86,447,977	66,307,821	-	-
Charge Made during the Year	6,122,729	20,140,156	-	-
Balance as at 31 March	92,570,706	86,447,977	-	-
Net Deferred Tax Asset	(423,680,069)	(238,730,284)	(496,211,081)	(325,178,261)

6.5.3 The Summarised Closing Deferred Tax Assets & Liability Balance Relate to the Following, Group

	Assets		Company	
	2023 LKR	Re-Presented 2022 LKR	2023 LKR	2022 LKR
Capital Allowances for Tax Purposes	115,042,135	8,119,587	13,159,911	16,544,839
Revaluation of Land & Building	217,894,138	155,735,558	26,861,972	19,056,000
Revaluation of Investment Property	16,034,284	10,403,427	-	-
Undistributed share of profit of Associate	-	-	79,319,682	73,149,617
Employee Benefits Liabilities	(92,800,097)	(73,095,115)	(11,122,866)	(6,052,877)
Warranty Provision	(82,707,200)	(106,136,174)	-	-
Inventory Provision	(263,725,535)	(76,454,356)	-	-
ROU Assets & Lease Liabilities	(258,210,676)	(133,793,395)	(5,958,747)	-
Provision for Impairment on Trade Receivables	(132,569,672)	(109,957,793)	(9,689,247)	(16,249,602)
Carried forward Tax Loss	(35,208,151)	-	-	-
	(516,250,774)	(325,178,261)	92,570,705	86,447,977

6. INCOME TAX (Contd...)

6.5.2.1 Deferred Tax Assets, Liabilities and Income Tax relate to the following:

Group	Statements of Financial position		Statements of Other Comprehensive Income		Statement of Profit or Loss	
	2023 LKR	Re-Presented 2022 LKR	2023 LKR	Re-Presented 2022 LKR	2023 LKR	Re-Presented 2022 LKR
Deferred Tax Liability						
Capital Allowances for Tax Purposes						
- Property, Plant and Equipment & Investment Property	128,054,561	24,271,169	-	-	103,783,392	(31,761,698)
- Intangible Assets	147,485	393,257	-	-	(245,772)	(1,399,594)
Revaluation of Land						
- Property Plant & Equipment	166,674,717	123,317,640	43,357,077	-	-	(19,056,000)
- Investment Property	14,649,600	9,228,000	-	-	5,421,600	(51,479,634)
Revaluation of Building						
- Property Plant & Equipment	78,081,393	51,473,918	26,607,475	-	-	19,056,000
- Investment Property	1,384,684	1,175,427	-	-	209,257	(13,514,356)
Undistributed share of profit of Associate	79,319,682	73,149,617	-	-	6,170,065	6,841,796
Deferred Tax Liabilities from Discontinued Operations					-	
	468,312,122	283,009,028	69,964,552	-	115,338,542	(91,313,486)
Deferred Tax Assets						
Employee Benefits Liabilities	(103,922,963)	(79,147,992)	7,734,224	6,381,955	(32,509,195)	(5,653,863)
Warranty Provision	(82,707,200)	(106,136,174)	-	-	23,428,974	(22,484,431)
Inventory Provision	(263,725,535)	(76,454,356)	-	-	(187,271,179)	20,080,824
Impact of Adoption of SLFRS	-	-	-	-	-	-
ROU Assets & Lease Liabilities	(264,169,423)	(133,793,395)	-	-	(130,376,028)	(4,783,365)
Provision for Impairment on Trade Receivables	(142,258,919)	(126,207,395)	-	-	(16,051,524)	64,913,748
Deferred Tax Assets from Discontinued Operation	-	-	-	-	-	-
	(856,784,040)	(521,739,312)	7,734,224	6,381,955	(342,778,952)	52,072,921
Carried forward Tax Loss	(35,208,151)	-	-	-	(35,208,151)	-
	(35,208,151)	-	-	-	(35,208,151)	-
Deferred Tax Charge/(Reversal)			77,698,776	6,381,955	(262,648,561)	(39,240,565)
Net Deferred Tax Liability/(Asset)	(423,680,069)	(238,730,284)				

6. INCOME TAX (Contd...)

6.5.2.2 Company

Company	Statements of Financial position		Statements of Other Comprehensive Income		Statement of Profit or Loss	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Deferred Tax Liability						
Capital Allowances for Tax Purposes						
- Property, Plant and Equipment & Investment Property	46,021,707	7,726,330	-	-	38,295,377	(34,585,532)
- Intangible Assets	147,485	393,257	-	-	(245,772)	(1,399,594)
Revaluation of Land						
- Property Plant & Equipment	162,818,268	123,317,640	39,500,628	-	-	-
- Investment Property	14,649,600	9,228,000	-	-	5,421,600	(51,479,634)
Revaluation of Building						
- Property Plant & Equipment	48,024,977	32,417,918	15,607,059	-	-	-
- Investment Property	1,384,684	1,175,427	-	-	209,257	(13,514,356)
	273,046,721	174,258,572	55,107,687	-	43,680,462	(100,979,116)
Deferred Tax Assets						
Employee Benefits Liabilities	(89,775,516)	(73,095,115)	7,931,376	5,810,685	(24,611,777)	(5,513,298)
Warranty Provision	(82,707,200)	(106,136,174)	-	-	23,428,974	(22,484,431)
Inventory Provision	(262,159,688)	(76,454,356)	-	-	(185,705,332)	20,080,824
Impact of Adoption of SLFRS 09	-	-	-	-	-	-
ROU Assets & Lease Liabilities	(202,045,726)	(133,793,395)	-	-	(68,252,331)	(4,783,365)
Provision for Impairment on Trade Receivables	(132,569,672)	(109,957,793)	-	-	(22,611,879)	45,054,787
	(769,257,802)	(499,436,833)	7,931,376	5,810,685	(277,752,345)	32,354,517
Deferred Tax Charge/(Reversal)			63,039,063	5,810,685	(234,071,883)	(68,624,599)
Net Deferred Tax Liability/(Asset)	(496,211,081)	(325,178,261)				

6.6 Change in Income Tax Rate

"The Group have used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 01 October 2022) for income and deferred taxation. Accordingly, income tax rates of, 14% for export profits and 24% for trading and other income have been used for the first six months and a standard rate of 30% has been used for profits of all segments for the second six months.

As a result, the rate of 30% has been used for Deferred Tax and the resultant impact has been recognised in the Statement of Profit or Loss and Other Comprehensive Income. Analysis of the impact of change in tax rate on the Deferred Tax balances as at 31 March 2022 is given in below Note 6.6.1 & 6.6.2."

6.6.1 Change in Income Tax Rate - Group

	Statements of Financial Position		Impact to OCI LKR	Impact to P&L LKR
	2022@30% LKR	2022 LKR		
Deferred Tax Liability				
Capital Allowances for Tax Purposes				
- Property, Plant and Equipment & Investment Property	30,338,961	24,271,169	-	(6,067,792)
- Intangible Assets	491,571	393,257	-	(98,314)
Revaluation of Land				
- Property Plant & Equipment	154,147,050	123,317,640	(30,829,410)	-
- Investment Property	11,535,000	9,228,000	-	(2,307,000)
Revaluation of Building				
- Property Plant & Equipment	67,360,370	51,473,918	(15,886,452)	-
- Investment Property	1,469,284	1,175,427	-	(293,857)
Undistributed share of profit of Associate	-	73,149,617	-	-
	265,342,236	283,009,028	(46,715,862)	(8,766,963)
Deferred Tax Assets				
Employee Benefits Liabilities	(98,934,990)	(79,147,992)	-	19,786,998
Warranty Provision	(132,670,218)	(106,136,174)	-	26,534,044
Inventory Provision	(95,567,945)	(76,454,356)	-	19,113,589
Provision for Impairment on Trade Receivables	(167,241,744)	(133,793,395)	-	33,448,349
	(557,759,244)	(426,207,395)	-	31,551,849
	(652,174,140)	(521,739,312)	-	130,434,828
Deferred Tax Charge/(Reversal)			(46,715,862)	121,667,865
Net Deferred Tax Liability/(Asset)	(386,831,904)	(238,730,284)		

6.6.2 Change in Income Tax Rate - Company

	Statements of Financial Position		Impact to OCI LKR	Impact to P&L LKR
	2022@30% LKR	2022 LKR		
Deferred Tax Liability				
Capital Allowances for Tax Purposes				
- Property, Plant and Equipment & Investment Property	9,657,913	7,726,330	-	(1,931,583)
- Intangible Assets	491,571	393,257	-	(98,314)
Revaluation of Land				
- Property Plant & Equipment	154,147,050	123,317,640	(30,829,410)	-
- Investment Property	11,535,000	9,228,000	-	(2,307,000)
Revaluation of Building	-			
- Property Plant & Equipment	40,522,398	32,417,918	(8,104,480)	-
- Investment Property	1,469,284	1,175,427	-	(293,857)
	217,823,215	174,258,572	(38,933,890)	(4,630,754)
Deferred Tax Assets				
Employee Benefits Liabilities	(91,368,894)	(73,095,115)	-	18,273,779
Warranty Provision	(132,670,218)	(106,136,174)	-	26,534,044
Inventory Provision	(95,567,945)	(76,454,356)	-	19,113,589
Provision for Impairment on Trade Receivables	(167,241,744)	(133,793,395)	-	33,448,349
	(137,447,241)	(109,957,793)	-	27,489,448
	(624,296,041)	(499,436,833)	-	124,859,208
Deferred Tax Charge/(Reversal)			(38,933,890)	120,228,455
Net Deferred Tax Liability/(Asset)	(406,472,826)	(325,178,261)		

7. EARNINGS PER SHARE & DIVIDEND PAID

- 7.1 Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue or a share split.

The following reflects the income and share data used in the basic Earnings Per Share computations.

	Group		2023 LKR	2022 LKR
	2023 LKR	Re-Represented 2022 LKR		
Net Profit Attributable to Ordinary Equity Holders of the Parent -continue				
- From Continuing Activities	3,489,875,880	3,041,349,986	2,438,025,270	2,636,370,961
- From Discontinued Activities	-	512,133,270	-	-
	3,489,875,880	3,553,483,256	2,438,025,270	2,636,370,961
	Number	Number	Number	Number
Ordinary Share	2,185,000	2,185,000	2,185,000	2,185,000
New Share Split	2,219,119,615	2,219,119,615	2,219,119,615	2,219,119,615
Non - Voting Ordinary Shares	-	-	-	-
	2,221,304,615	2,221,304,615	2,221,304,615	2,221,304,615
Earnings Per Share -Basic / Diluted				
- From Continuing Activities	1.57	1.37	1.10	1.19
- From Discontinued Activities	-	0.23	-	-

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements. Therefore, diluted earnings per share is same as basic earnings per share.

7.2 Dividend Per Share - Company/Group	2023		2022	
	per Share	LKR	per Share	LKR
1st Interim Dividend out of Profits of 2020/2	0.15	333,195,692	0.07	159,985,700
2nd Interim Dividend out of Profits of 2021/	0.32	710,817,477	-	-
3rd Final Dividend out of Profits of 2021/22	0.15	333,195,692	-	-
4th Interim Dividend out of Profits of 2022/2	0.15	333,195,692		
	0.77	1,710,404,554	0.07	159,985,700

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT & EQUIPMENT

Group

8.1	Gross Carrying Amounts At Cost or Valuation	Re-Presented Balance As at 01 April 2022 LKR	Additions LKR	Disposals LKR	Revaluation LKR	Transfers LKR	Balance As at 31 March 2023 LKR
	Land	769,657,442	-	-	39,632,205	103,227,854	912,517,501
	Buildings	131,963,998	-	-	16,442,749	811,745,853	960,152,600
	Buildings Improvements	127,146,180	12,792,783	(990,916)	-	-	138,948,047
	Plant and Machinery	-	16,708,645	-	-	1,094,706,214	1,111,414,859
	Furniture and Fittings	649,893,928	92,140,184	(33,834,712)	-	(15,496,859)	692,702,541
	Office Equipment	273,803,289	23,392,722	(13,315,086)	-	(905,412)	282,975,513
	Motor Vehicles	198,069,803	6,000,000	(4,840,000)	-	-	199,229,803
	Computer Equipment	339,919,994	63,977,039	(10,054,506)	-	3,230,182	397,072,709
	Telephone	4,507,403	47,702	(697,660)	-	-	3,857,445
	Service Equipment	28,918,965	1,029,930	-	-	1,152,499	31,101,394
	Fixtures & Fittings	22,564,029	11,628,863	-	-	32,553,018	66,745,910
	Generators	5,617,364	142,560	(45,110)	-	(19,953)	5,694,861
	Total Gross Carrying Amount	2,552,062,395	227,860,428	(63,777,990)	56,074,954	2,030,193,396	4,802,413,183
	In the Course of Construction						
	Capital Working Progress	890,328,658	1,158,983,041	-	-	(2,048,417,450)	894,249
	Total Gross Carrying Amount	3,442,391,053	1,386,843,469	(63,777,990)	56,074,954	(18,224,054)	4,803,307,432

8.2	Depreciation & Impairment At Cost or Valuation	Re-Presented Balance As at 01 April 2022 LKR	Charge for the year LKR	Disposals LKR	Revaluation LKR	Transfers LKR	Balance As at 31 March 2023 LKR
	Buildings	25,814,797	15,053,884	-	(21,420,678)	(19,448,003)	-
	Buildings Improvements	38,049,096	9,060,500	(779,047)	-	19,448,002	65,778,551
	Plant and Machinery	-	31,205,759	-	-	-	31,205,759
	Furniture and Fittings	393,918,468	70,654,630	(28,652,891)	-	(18,215,513)	417,704,694
	Office Equipment	145,932,839	28,488,760	(11,771,169)	-	(1,488,184)	161,162,246
	Motor Vehicles	133,056,051	17,750,836	(4,639,266)	-	-	146,167,621
	Computer Equipment	270,379,979	43,736,031	(9,669,483)	-	(517,155)	303,929,372
	Telephone	3,354,422	549,539	(693,591)	-	-	3,210,370
	Service Equipment	7,491,350	761,881	-	-	-	8,253,231
	Fixtures & Fittings	4,080,821	11,944,957	-	-	-	16,025,778
	Generators	5,431,546	136,961	(45,110)	-	(12,439)	5,510,958
	Total Depreciation	1,027,509,369	229,343,738	(56,250,557)	(21,420,678)	(20,233,292)	1,158,948,580

Group

8.	PROPERTY, PLANT AND EQUIPMENT (Contd....)		
8.3	Net Book Values	2023 LKR	Re-Represented 2022 LKR
	At Cost or Valuation		
	Land	912,517,501	769,657,442
	Buildings	960,152,600	106,149,201
	Buildings Improvements	73,169,496	89,097,084
	Plant and Machinery	1,080,209,100	-
	Furniture and Fittings	274,997,847	255,975,460
	Office Equipment	121,813,267	127,870,450
	Motor Vehicles	53,062,182	65,013,752
	Computer Equipment	93,143,337	69,540,015
	Telephone	647,075	1,152,981
	Service Equipment	22,848,163	21,427,615
	Fixtures & Fittings	50,720,132	18,483,208
	Factory/Stores Equipment	-	-
	Generators	183,903	185,818
	Capital Working Progress		
		3,643,464,603	1,524,553,026
	In the Course of Construction		
	Capital Work In Progress	894,249	890,328,658
	Total Carrying Amount of Property, Plant and Equipment	3,644,358,852	2,414,881,684

8.4	Gross Carrying Amounts	Balance As at 01 April 2022 LKR	Additions LKR	Disposals LKR	Revaluation LKR	Transfers LKR	Balance As at 31 March 2023 LKR
	At Cost or Valuation						
	Land	568,703,442	-	-	28,904,059	-	597,607,501
	Buildings	131,963,999	-	-	12,043,602	-	144,007,601
	Buildings Improvements	127,146,179	12,792,783	(990,916)	-	-	138,948,046
	Furniture and Fittings	569,939,472	87,332,772	(17,574,127)	-	(15,542,055)	624,156,062
	Office Equipment	246,350,286	20,546,943	(4,168,321)	-	(1,981,077)	260,747,831
	Motor Vehicles	188,145,803	6,000,000	(4,840,000)	-	-	189,305,803
	Computer Equipment	248,271,746	36,837,641	(2,172,320)	-	(680,968)	282,256,099
	Telephone	4,507,403	47,702	(697,660)	-	-	3,857,445
	Service Equipment	28,918,964	1,029,930	-	-	-	29,948,894
	Fixtures & Fittings	22,564,030	11,025,967	-	-	-	33,589,997
	Generators	5,617,363	142,560	(45,110)	-	(19,953)	5,694,860
	Total Gross Carrying Amount	2,142,128,687	175,756,298	(30,488,454)	40,947,661	(18,224,053)	2,310,120,139

NOTES TO THE FINANCIAL STATEMENTS

8.5 Depreciation & Impairment

At Cost or Valuation	Balance As at 01 April 2022 LKR	Charge for the Year LKR	Disposals LKR	Revaluation LKR	Transfers LKR	Balance As at 31 March 2023 LKR
Buildings	25,814,797	6,598,200	-	(12,964,995)	(19,448,002)	-
Buildings Improvements	38,049,096	9,060,500	(779,047)	-	19,448,002	65,778,551
Furniture and Fittings	323,995,436	65,616,858	(12,658,112)	-	(18,215,515)	358,738,667
Office Equipment	124,956,477	26,165,283	(2,894,763)	-	(1,488,184)	146,738,813
Motor Vehicles	131,809,092	16,510,336	(4,639,266)	-	-	143,680,162
Computer Equipment	191,868,696	35,171,661	(1,816,148)	-	(517,155)	224,707,054
Telephone	3,354,421	549,539	(693,591)	-	-	3,210,369
Service Equipment	7,491,351	733,255	-	-	-	8,224,606
Fixtures & Fittings	4,080,820	10,575,293	-	-	-	14,656,113
Generators	5,431,545	136,961	(45,110)	-	(12,439)	5,510,957
Total Depreciation	856,851,731	171,117,886	(23,526,037)	(12,964,995)	(20,233,293)	971,245,292

8.6 Net Book Values

At Cost or Valuation	2023 LKR	2022 LKR
Land	597,607,501	568,703,442
Buildings	144,007,601	106,149,202
Buildings Improvements	73,169,495	89,097,083
Furniture and Fittings	265,417,395	245,944,036
Office Equipments	114,009,018	121,393,809
Motor Vehicles	45,625,641	56,336,711
Computer Equipments	57,549,045	56,403,050
Telephone	647,076	1,152,982
Service Equipments	21,724,288	21,427,613
Fixtures & Fittings	18,933,884	18,483,210
Generators	183,903	185,818
Total Carrying Amount of Property, Plant and Equipment	1,338,874,847	1,285,276,956

8. PROPERTY, PLANT & EQUIPMENT (Contd...)

- 8.7 The Lands & Buildings of the Group were revalued on 31 March 2023 and such assets were valued on an open market value for existing use basis. The result of the revaluation have been incorporated in to the prior year financial statements. The surplus arising from the revaluation was transferred to a revaluation reserve. Land and Buildings have been revalued by Mr. Lochana I. Silva (Chartered Valuation Surveyor).

The carrying amount of revalued assets that would have been included in the financial statements had the assets been carried at cost less depreciation is as follows:

Class of Asset	Cost LKR	Accumulated Depreciation If assets were carried at cost LKR	Net Carrying Amount 2023 LKR	Net Carrying Amount 2022 LKR
Land	104,748,451	-	104,748,451	104,748,451
Building	56,613,997	(51,749,371)	4,864,626	56,613,997

8.8 During the year Fixed Assets Addition & Cash Payment

	2023 LKR	Group 2022 LKR	2023 LKR	Company 2022 LKR
Addition	1,386,843,469	1,154,379,878	175,756,298	177,497,220
Cash Payment	1,386,843,469	1,154,379,878	175,756,298	177,497,220

- 8.9 The amount of borrowing costs capitalised with property, plant and equipment during the year ended 31 March 2023 of the Group-Company was Rs. 161,862,595 (2022 Group 13,395,501 and Company Nil)

- 8.10 The Cost of Fully Depreciated Property, plant and equipment of the Group and the Company which are still in use respectively amount of LKR 23,120,614/- and LKR 144,243,968/- (2022 -LKR 180,268,161/- and LKR 69,765,051/-).

8.11 The useful lives of the assets are estimated as follows;

	2023	2022
Buildings	20 Years	20 Years
Building Improvements	5-10 Years	5-10 Years
Service Equipments	8 Years	8 Years
Office Equipment	8 Years	8 Years
Furniture and Fittings	8 Years	8 Years
Motor Vehicles	4-10 Years	4-10 Years
Computer Equipments	4 Years	4 Years
Telephone	4 Years	4 Years
Generators	4 Years	4 Years
Plant, Machinery and Equipment	5-10 Years	5-10 Years
Fixtures & Fittings	8 Years	8 Years

8.12 Property plant & equipment pledged as security against borrowings (Group & Company)

There were no Property, plant and equipment have been pledged as a Security for term Loans Obtained.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

8. PROPERTY, PLANT & EQUIPMENT (Contd...)

8.13 Details of Land & Buildings Revaluation

Name of the Company	Location	Extent	Number	Method of Valuation and Significant Unobservable Inputs	2023 Range of Estimate for Unobservable Inputs LKR	2021 Range of Estimate for Unobservable Inputs LKR	Valued in 31/03/2023 Valuation LKR	Valued in 31/03/2021 Valuation LKR
Abans PLC	Freehold Property at Liberty Plaza Shopping Block at Liberty Plaza Colombo	435	sq.ft 01	Income method Gross monthly rental Per Sq ft. Estimated Outgoing Expenses	260 30.00%	250 30.00%	19,000,000	18,500,000
Abans PLC	Freehold Property at Kandy Land Building	11.094 4,415	P sq.ft 01	Cost method Value per perch of Land Value per sq.ft for Building	14,500,000 4,000	13,800,000 3600	160,863,000 17,660,000	153,097,200 15,894,000
Abans PLC	Freehold Property at Kalutara Land Building	24.46 9,403	P sq.ft 01	Cost method Value per perch of Land Value per sq.ft for Building	1,165,372 3,800	1,115,372 3450	28,505,000 35,731,400	27,282,000 32,440,350
Abans PLC	Freehold Property at Gampaha Land Building	17.52 724	P sq.ft 01	Cost method Value per perch of Land Value per sq.ft for Building	3,850,000 5,014	3,650,000 4615	67,452,000 3,630,000	63,948,000 3,341,250
Abans PLC	Freehold Property at Kurunegala Land Building	50 4,300	P sq.ft 01	Cost method Value per perch of Land Value per sq.ft for Building	2,403,000 829	2,275,800 760	120,150,000 3,564,000	113,790,000 3,267,000
Abans PLC	Freehold Property at Rajagiriya Land Building	22 3,687	P sq.ft 01	Cost method Value per perch of Land Value per sq.ft for Building	3,000,000 1,800	2,875,000 1650	66,000,000 6,636,600	63,250,000 6,083,550
Abans PLC	Freehold Property at Rathmalana Land Building	15.00 3,157	P sq.ft 01	Cost method Value per perch of Land Value per sq.ft for Building	1,250,000 3,800	1,200,000 3450	18,750,000 11,996,600	18,000,000 10,891,650
Abans PLC	Freehold Property at Rathmalana Land Building	17.1 3,690	P sq.ft 01	Cost method Value per perch of Land Value per sq.ft for Building	1,250,000 3,600	1,200,000 3450	21,375,000 13,284,000	20,520,000 11,992,500
Abans PLC	Freehold Property at Nawala Road, Nugegoda Land Building	17.45 4,925	P sq.ft 01	Cost method Value per perch of Land Value per sq.ft for Building	6,562,321 6,600	6,235,888 6000	114,512,500 32,505,000	108,816,250 29,550,000
Abans Finance PLC	Freehold land at Awissawella Road, Galwana, Mulleriyawa Land	72.50	P 01	Market Comparable method Price per perch of Land	1,579,034	1,577,931	114,480,000	114,400,000
AB Manufacturing (Pvt) Ltd	Dodamgahahena watta, Arakagoda, Millaniya Land Building	870.02 124,513	P sq.ft 02 03	Value per perch of Land Value per sq.ft for Building	230,374 6,555	- -	200,430,000 816,145,500	- -

9 INVESTMENT PROPERTIES

Group/Company

9.1	Carrying Amounts	Balance As at 01 April 2022 LKR	Additions \Transfers LKR	Disposals/ Transfers	Change in Fair Value during the year LKR	Balance As at 31 March 2023 LKR
	Land	187,262,000	-	-	8,743,000	196,005,000
	Buildings	12,538,000	-	-	1,357,000	13,895,000
		199,800,000	-	-	10,100,000	209,900,000

9.2 Details of Investment Properties Fair Valuation

2023 Locations	Valuation Technique	Land (P)	Building a(sq.ft)	Range of Estimate for Unobservable Inputs		Value of Building	Value of Land	Total LKR
Investment Property at Rathmalana	Market Comparable method	14.9	5,162	1,450,000	2,691.79	13,895,000	21,605,000	35,500,000
Investment Property at Wellawatta	Market Comparable method	25.65	-	6,799,220	-	-	174,400,000	174,400,000
						13,895,000	196,005,000	209,900,000

2022 Locations	Valuation Technique	Land (P)	Building a(sq.ft)	Range of Estimate for Unobservable Inputs		Value of Building	Value of Land	Total LKR
Investment Property at Rathmalana	Market Comparable method	14.9	5,162	1,380,000	2,428.90	12,538,000	20,562,000	33,100,000
Investment Property at Wellawatta	Market Comparable method	25.65	-	6,499,025	-	-	166,700,000	166,700,000
						12,538,000	187,262,000	199,800,000

Fair Value Hierarchy

The fair value of the Group's/Company's investment property are categorised into Level 3 of the fair value hierarchy.

9.3 The Valuation of group's investment properties were carried out by Lochana I Silva, Chartered Valuation Surveyor as at 31 March 2023 (2022 S Upali Silva, independent professional valuer) is a specialist in valuing these types of investment properties.

9.4 No direct operating expenses incurred for the investment properties at Wellawaththa and Rathmalana. Rental income earned from those investment properties are disclosed in Note 29.2

10. LEASE RENTALS RECEIVABLE AND LOANS AND ADVANCES

Lease Rentals Receivable and Loans and Advances were derived from Abans Finance PLC. As at reporting date company is reclassified as Held for Sale.

10.1 Lease rentals Receivable

Group	Within One Year		1-5 Years		Over 5 years		Total	
	2023 LKR	Re- Presented 2022 LKR	2023 LKR	Re- Presented 2022 LKR	2023 LKR	Re- Presented 2022 LKR	2023 LKR	Re- Presented 2022 LKR
Gross Receivable								
- Lease Rentals	11,300,534,191	4,799,679,085	714,311,144	6,093,322,094	247,801,310	41,881,103	12,262,646,645	10,934,882,282
- Amounts receivable from Hirers	2,711,452	26,744,026	4,773,607	16,463	15,993,027	-	23,478,086	26,760,489
	11,303,245,643	4,826,423,111	719,084,751	6,093,338,557	263,794,337	41,881,103	12,286,124,731	10,961,642,771
Less: Unearned Income	(3,634,286,160)	(1,528,192,924)	(97,666,568)	(1,665,890,571)	-	(5,831,542)	(3,731,952,728)	(3,199,915,037)
Net Investment	7,668,959,483	3,298,230,187	621,418,183	4,427,447,986	263,794,337	36,049,561	8,554,172,003	7,761,727,734
Less:								
- Allowances For Impairment								
Losses (Note 10.1.2)	(684,259,758)	(322,276,797)	(55,445,782)	(432,614,971)	(23,536,941)	(3,522,476)	(763,242,481)	(758,414,244)
- Rentals received in advance								
- Suspended VAT	(3,446,174)	(3,554,59)					(3,446,174)	(3,554,595)
	6,981,253,551	2,972,398,795	565,972,401	3,994,833,015	240,257,396	32,527,085	7,787,483,348	6,999,758,895

*Lease & hirers receivables include receivables amounting to Rs. 1,092,627,095 that have been Pledged for facilities obtained from Banks.

10.1.1 Analysis of Lease Rental Receivable & Stock Out on Hire on Maximum Exposure to credit Risk as at 31 March 2023

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Lease Receivables			159,250,771	159,250,771
Lease Rental Receivable & Stock out of Hire subject to Collective Impairment	4,197,424,718	1,501,445,852	1,743,498,356	7,442,368,926
Allowances for Expected Credit Losses	(165,265,568)	(133,221,017)	(459,927,659)	(758,414,244)
	3,807,936,334	1,621,400,812	2,358,146,200	7,787,483,346

Analysis of Lease Rental Receivable & Stock Out on Hire on Maximum Exposure to credit Risk as at 31 March 2022

Individually Impaired Lease Receivables	-	-	315,804,213	315,804,213
Lease Rental Receivable & Stock out of Hire subject to Collective Impairment	3,953,692,736	1,731,962,468	2,705,819,852	8,391,475,056
Allowances for Expected Credit Losses	(145,756,402)	(110,561,656)	(506,924,423)	(763,242,481)
	3,807,936,334	1,621,400,812	2,514,699,642	7,944,036,788

10.1.2 Allowance for Impairment

	2023 LKR	2022 LKR
As at 01 April	668,240,572	653,944,958
Charge for the year	90,173,672	14,295,614
Discontinued Subsidiaries	-	-
As at 31 March	758,414,244	668,240,572

10.1.3 Movement in Allowance for Expected Credit Loss (ECL) -2023

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Balance as at 01 April 2022	165,265,568	133,221,017	459,927,659	758,414,244
Charge/(Reversal) to Income Statement	(19,509,166)	(22,659,361)	46,996,764	4,828,237
Balance as at 31 March 2023	145,756,402	110,561,656	506,924,423	763,242,481

Movement in Allowance for Expected Credit Loss (ECL) -2022

Balance as at 01 April 2021	117,255,188	104,976,790	446,008,594	668,240,572
Charge/(Reversal) to Income Statement	48,010,380	28,244,227	13,919,065	90,173,672
Balance as at 31 March 2022	165,265,568	133,221,017	459,927,659	758,414,244

10. LEASE RENTALS RECEIVABLE AND LOANS AND ADVANCES (Contd...)

Lease Rentals Receivable and Loans and Advances were derived from Abans Finance PLC. As at reporting date company is reclassified as Held for Sale.

10.2 Loans and Advances

Group	Within One Year		Over One Year		Total	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Loans and Advances	745,525,361	948,638,209	544,049,210	460,391,621	1,289,574,571	1,409,029,830
Less : Allowance for Impairment Losses (Note 10.2.2)	(193,901,899)	(237,597,966)	(141,500,451)	(115,310,676)	(335,402,350)	(352,908,642)
	551,623,462	711,040,243	402,548,759	345,080,945	954,172,221	1,056,121,188

10.2.1 Analysis of Lease Rental Receivable & Stock Out on Hire on Maximum Exposure to credit Risk as at 31 March 2023

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Loans and Advances	-	-	378,870,782	378,870,782
Loans and Advances subject to Collective Impairment	536,892,189	103,272,315	270,539,284	910,703,788
Allowances for Expected Credit Loss	(11,667,792)	(10,907,395)	(312,827,163)	(335,402,350)
	525,224,398	92,364,920	336,582,903	954,172,221

Analysis of Loans and Advances on Maximum Exposure to credit Risk as at 31 March 2022

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Loans and Advances	-	-	419,111,413	419,111,413
Loans and Advances subject to Collective Impairment	585,669,858	99,058,033	305,190,526	989,918,417
Allowances for Expected Credit Losses	(29,975,237)	(15,282,194)	(307,651,210)	(352,908,642)
Staff Loans - Classified under Trade & Other Receivable	-	-	-	-
	555,694,621	83,775,839	416,650,729	1,056,121,188

10.2.2 Allowance for Impairment

	2023 LKR	2022 LKR
As at 01 April	352,944,644	324,390,391
Charge for the year	(17,542,294)	28,554,252
Assets Held for Sale	-	-
As at 31 March	335,402,350	352,944,644
Individual Impairment	249,864,946	243,424,553
Collective Impairment	85,537,403	109,484,090
	335,402,350	352,908,642

10.2.3 Movement in Allowance for Expected Credit Loss (ECL) -2023

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Balance as at 01 April 2022	36,097,920	15,282,194	301,528,527	352,908,642
Charge/(Reversal) to Income Statement	(24,430,128)	(4,374,799)	11,298,636	(17,506,292)
Balance as at 31 March 2023	11,667,792	10,907,395	312,827,163	335,402,350

Movement in Allowance for Expected Credit Loss (ECL) -2022

Balance as at 01 April 2021	4,735,673	19,550,841	300,067,877	324,354,391
Charge/(Reversal) to Income Statement	31,362,247	(4,268,647)	1,460,650	28,554,251
Balance as at 31 March 2022	36,097,920	15,282,194	301,528,527	352,908,642

NOTES TO THE FINANCIAL STATEMENTS

11. INTANGIBLE ASSETS

11.1 This includes only locally purchased softwares, where it is estimated that these softwares will bring economic benefits to the Company over period of 4 years, and is being amortized over a period of 4 years.

	Group		Company	
	2023 LKR	2022 LKR		
As at 01 April	29,589,336	41,336,633	1,638,573	7,470,214
Acquired during the year	1,180,375	203,158	-	203,158
Charge for the year	(7,177,863)	(11,950,455)	(1,173,680)	(6,034,799)
Discontinued Subsidiaries	-	-	-	-
As at 31 March	23,591,848	29,589,336	464,893	1,638,573

11.2 Intangible Assets

	Useful Life	Type
HRIS	4 years	Acquired
Mobile App	4 years	Acquired
Backup Application	4 years	Acquired
Hsenid License	4 years	Acquired

Impairment testing is done when indicators of impairment exist. The amortisation method is reviewed at each financial year end

12. INVESTMENTS IN SUBSIDIARIES

12.1 Quoted Cost

	Effect Holding - %		Number of Shares		Cost 2023 LKR	Cost 2022 LKR
	2023	2022	2023	2022		
Abans Finance PLC	50.22	49.67	37,010,472	33,063,877	472,008,992	361,144,336
			37,010,472	33,063,877	472,008,992	361,144,336

12.2 Non-Quoted

AB Manufacturing (Pvt) Ltd	100.00	100.00	10,000,001	7,500,001	100,000,010	75,000,010
A.B. Sun City (Pvt) Ltd.	100.00	-	275,168,000	-	2,751,680,000	-
			285,168,001	7,500,001	2,851,680,010	75,000,010
Total Carrying Value of Investments in Subsidiaries			322,178,473	40,563,878	3,323,689,002	436,144,346

12.3 Market Value

	Market Valuation 2023 LKR	Market Valuation 2022 LKR
Abans Finance PLC	866,045,045	955,546,045
	866,045,045	955,546,045

13. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

13.1 Investment Details

Investor	Investee/Relationship	Holding - %		Cost		Market Valuation	
		2023	2022	2023	2022	2023	2022
				LKR	LKR	LKR	LKR
Abans PLC	Abans Electricals PLC -Associate	48.00%	48.00%	78,212,351	78,212,351	318,898,710	396,783,587
A.B. Sun City (Pvt) Ltd.	Colombo City Centre Partners (Private) Limited - Associate	34.27%	-	2,946,001,460	-	Not a Listed Company	

13.2 Investment in an Associate - Abans Electrical PLC

The Company has 48% (2021 - 48%) interest in Abans Electricals PLC, which is involved in the manufacturing and assembling household electrical and electronic appliances and providing repairs, maintenance and technical services of similar type of appliances. The principal places of business are situated at No. 126, Airport Road, Ratmalana, and No. 506/B, Galle Road, Colombo 06.

Abans Electricals PLC is a public quoted entity listed in Colombo Stock Exchange.

13.3 Investment in an Associate -Colombo City Centre Partners (Private) Limited

13.3.1 The Group had a 34.27% interest in Colombo City Centre Partners (Private) Limited, an Associate which carries out mix development project. The group held the associate through Its Subsidiary, AB Sun City (Pvt) Ltd.

13.3.2 The Group's interest in Colombo City Centre Partners (Private) Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the Associate and reconciliation with the carrying amount of the investment in the financial statements are set out below.

"

13.3.3 Colombo City Centre Partners (Private) Limited showing below summarized financial information's

	2023 March LKR
Cash and cash equivalents	332,241,037
Current liabilities (excluding trade & other payable)	1,447,658,865
Non-current liabilities (excluding trade & other payable)	8,103,942,982
Finance Cost	979,862,758

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

- 13.4 The Group's interest in Abans Electricals PLC & Colombo City Centre Partners (Private) Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Abans Electricals PLC & Colombo City Centre (Private) Limited;

Group	Colombo City Centre Partners		Abans Electricals		Total	
	2023	2022	2023	2022	2023	2022
13.4.1 Summarised Statement of Profit or Loss	LKR	LKR	LKR	LKR	LKR	LKR
Revenue	2,525,740,011	82,131,736	5,235,168,922	4,329,171,211	7,760,908,932	4,411,302,947
Operating Expenses	(174,208,716)	(102,941,030)	(4,551,862,046)	(4,084,539,455)	(4,726,070,762)	(4,187,480,485)
Finance Cost	(127,981,733)	(132,450,919)	(498,416,053)	(110,292,185)	(626,397,786)	(242,743,104)
Profit before tax for the Year	2,223,549,562	(153,260,213)	184,890,823	134,339,571	2,408,440,384	(18,920,642)
Tax	-	-	(51,337,533)	(30,124,505)	(51,337,533)	(30,124,505)
Profit after Tax	2,223,549,562	(153,260,213)	133,553,289	104,215,066	2,357,102,851	(49,045,147)
Group's Share of Profit/(Loss) for the Year	762,082,719	(64,843,315)	64,105,579	50,023,232	826,188,298	(14,820,083)

Other Comprehensive Income

Revaluation Gain from Land and Buildings Net	-	-	7,032,054	-	7,032,054	-
Actuarial Gains on Employee Benefits Liabilities Net	-	-	(16,184,876)	12,929,129	(16,184,876)	12,929,129
Total Other Comprehensive Income for the Year, Net of Tax	-	-	(9,152,822)	12,929,129	(9,152,822)	12,929,129
Group's Share of Comprehensive Income for the Year, Net of Tax	-	-	(4,393,354)	6,205,982	(4,393,354)	6,205,982

13.4.2 Summarised Statement of Financial Position

Non-Current Assets	18,599,559,568	-	1,916,752,983	1,852,341,499	20,516,312,551	1,852,341,499
Current Assets	852,325,199	-	2,968,033,924	3,488,014,408	3,820,359,123	3,488,014,408
Non-Current Liabilities	(8,502,694,388)	-	(402,792,573)	(324,228,957)	(8,905,486,961)	(324,228,957)
Current Liabilities	(1,672,569,342)	-	(2,624,544,769)	(3,257,525,073)	(4,297,114,111)	(3,257,525,073)
Equity	9,276,621,037	-	1,857,449,566	1,758,601,877	11,134,070,603	1,758,601,877
Group's Carrying Amount of the Investment	3,179,927,689	-	891,575,782	844,128,901	4,071,503,471	844,128,901

Summarised Statement of Cash Flow

Net Cash flow from operating activities	103,294,209	-	(552,655,913)	(47,409,836)	(449,361,704)	(47,409,836)
Net Cash flow from investing activities	(188,447,230)	-	69,565,558	(179,127,432)	(118,881,672)	(179,127,432)
Net Cash flow from financing activities	88,477,877	-	397,358,487	199,065,750	485,836,364	199,065,750
Net Increase/(Decrease) in Cash and Cash Equivalents	3,324,856	-	(85,731,867)	(27,471,518)	(82,407,011)	(27,471,518)

13.4.3 Equity Reconciliation

	Colombo City Centre Partners		Abans Electricals		Total Investment	
	2023	2022	2023	2022	2023	2022
	LKR	LKR	LKR	LKR	LKR	LKR
Carrying Value as at 01 April	-	2,280,824,062	844,128,901	795,258,893	844,128,901	3,076,082,955
Investment Made during the Year	2,417,844,970	-	-	-	2,417,844,970	-
Disposal Made during the Year	-	(2,215,980,747)	-	-	-	(2,215,980,747)
Share of Profits/(Loss) Net of Tax	762,082,719	(64,843,315)	64,105,579	50,023,232	826,188,298	(14,820,083)
Revaluation Gain Net of Tax	-	-	3,375,386	-	3,375,386	-
Actuarial Gain /(Loss)	-	-	(7,768,740)	6,205,982	(7,768,740)	6,205,982
Dividend Received	-	-	(12,265,344)	(7,359,206)	(12,265,344)	(7,359,206)
Carrying Value as at 31 March	3,179,927,689	-	891,575,782	844,128,901	4,071,503,471	844,128,901

Acquisition of Investment

Cost of Acquisition	2,417,844,970	-	-	-	2,417,844,970	-
Gain on Acquisition	-	-	-	-	-	-
Equity value of acquisition	2,417,844,970	-	-	-	2,417,844,970	-

Disposal of Investment

Cost of Disposal	-	(2,215,980,747)	-	-	-	(2,215,980,747)
Sale Proceed	-	(2,215,980,747)	-	-	-	(2,215,980,747)
Disposal Gain / (Loss)	-	(2,215,980,747)	-	-	-	(2,215,980,747)

Share of results from investment in associates to recognize to the profit and Loss

Share of Profits/(Loss) Net of Tax	762,082,719	(64,843,315)	64,105,579	50,023,232	826,188,298	(14,820,083)
Disposal Gain / (Loss)	-	(2,215,980,747)	-	-	-	(2,215,980,747)
Loss Transferring to Discontinued Operation	-	2,215,980,747	-	-	-	2,215,980,747
	762,082,719	(64,843,315)	64,105,579	50,023,232	826,188,298	(14,820,083)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

14. OTHER FINANCIAL ASSETS

	Group		Company	
	Re-Represented			
	2023	2022	2023	2022
	LKR	LKR	LKR	LKR
Non Current				
Measured at Fair Value through Other Comprehensive Income (14.2 & 14.4)	15,080,400	15,080,400	15,000,000	15,000,000
Measured at Amortized Cost (14.3)	8,613,335	291,202,975	-	-
	23,693,735	306,283,375	15,000,000	15,000,000
Current				
"Measured at Fair Value Through Profit or Loss (Note 14.1)"	331,200	488,400	331,200	488,400
Measured at Amortized Cost (Note 14.3)	1,690,673,459	3,394,077,769	753,986,164	2,321,256,027
	1,691,004,659	3,394,566,169	754,317,364	2,321,744,427

14.1 Fair Value Through Profit or Loss

Group & Company		Value	Re-Represented Value
		2023	2022
		LKR	LKR
Manufacturing			
Royal Ceramic Lanka PLC		331,200	488,400
		331,200	488,400

14.2 Measured at Fair Value through Other Comprehensive Income

Group			Carrying Value	Re-Represented Carrying Value
			2023	2022
			LKR	LKR
Investment in Ordinary Shares	2023	2022		
Abans Restaurant Systems (Pvt) Ltd.	500,000	500,000	5,000,000	5,000,000
			5,000,000	5,000,000
Investment in Preference Shares				
Abans Investment (Pvt) Ltd.	1,000,000	1,000,000	10,000,000	10,000,000
AB Leisure (Pvt) Ltd.	500,000	500,000	5,000,000	5,000,000
Credit Information Bureau of Sri Lanka	1,000	1,000	80,400	80,400
Less : Impairment - AB Leisure (Pvt) Limited			(5,000,000)	(5,000,000)
			10,080,400	10,080,400
			15,080,400	15,080,400

14. OTHER FINANCIAL ASSETS (Contd...)

14.3 Measured at Amortized Cost

Non-Current

Unit trust investments

Group		Company	
2023	Re-Presented 2022	2023	2022
LKR	LKR	LKR	LKR
8,613,335	291,202,975	-	-
8,613,335	291,202,975	-	-

Current

Treasury Bills*

Treasury Bonds*

Unit trust investments

Fixed Deposits

713,692,026	535,236,815	-	-
-	51,922,510	-	-
125,000,000	-	125,000,000	-
851,981,433	2,806,918,444	628,986,164	2,321,256,027
1,690,673,459	3,394,077,769	753,986,164	2,321,256,027
Total Measured at Amortized Cost	3,685,280,744	753,986,164	2,321,256,027

14.4 Measured at Fair Value through Other Comprehensive Income

Company**Investment in Ordinary Shares**

Abans Restaurant Systems (Pvt) Ltd.

Investment in Preference Shares

Abans Investment (Pvt) Ltd.

AB Leisure (Pvt) Ltd.

Less : Impairment - AB Leisure (Pvt) Limited

No. of Shares		Carrying Value 2023	Carrying Value 2022
2023	Re-Presented 2022	LKR	LKR
500,000	500,000	5,000,000	5,000,000
		5,000,000	5,000,000
1000,000	1000,000	10,000,000	10,000,000
500,000	500,000	5,000,000	5,000,000
		(5,000,000)	(5,000,000)
		10,000,000	10,000,000
		15,000,000	15,000,000

15. TRADE AND OTHER RECEIVABLES

15.1 Group

Trade Receivables - Related Parties

- Other

Less: Provision for Impairment

Other Debtors - Related Parties

- Other

Less: Provision for Impairment

Staff Loans

Advances and Prepayments

Group		Company	
2023	Re-Presented 2022	2023	2022
LKR	LKR	LKR	LKR
2,057,142	1,035,338	2,057,142	1,035,338
3,114,277,259	4,373,839,732	3,091,324,628	4,373,839,732
(441,898,906)	(458,157,472)	(441,898,906)	(458,157,472)
2,674,435,495	3,916,717,598	2,651,482,864	3,916,717,598
1,477,457,564	4,775,829,192	1,764,384,544	4,868,526,322
1,169,489,808	1,330,882,830	969,047,280	1,226,351,795
(726,301,321)	(587,104,787)	(658,474,103)	(585,094,763)
4,595,081,546	9,436,324,833	4,726,440,585	9,426,500,952
108,854,520	80,906,206	8,435,321	8,406,975
4,703,936,066	9,517,231,039	4,734,875,906	9,434,907,927
2,370,935,093	935,332,473	2,263,356,047	810,674,026
7,074,871,159	10,452,563,512	6,998,231,953	10,245,581,953

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

15. TRADE AND OTHER RECEIVABLES (Contd..)

15.2 Provision for Impairment

	Group Re- Presented 2022 LKR		Company 2022 LKR	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
At the Beginning of the Year	1,045,262,259	1,381,687,065	1,043,252,235	1,376,467,343
Write-off during the year	-	-	-	-
Provision Made During the Period	122,937,968	(336,424,806)	57,120,774	(333,215,108)
Assets Held For Sale	-	-	-	-
At the End of the Year	1,168,200,227	1,045,262,259	1,100,373,009	1,043,252,235

The Aging Details of Trade & Other Receivables are given on Note Number 25.4.1.

15.3 Analysis of Trade and Other Receivables on Maximum Exposure to credit Risk as at 31 March 2023 Group

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Trade Receivables	-	-	3,133,188,699	3,133,188,699
Lease Trade Receivable Collective Impairment	2,185,838,564	264,060,444	180,194,066	2,630,093,074
Allowances for Expected Credit Losses	(97,726,474)	(95,016,484)	(975,457,269)	(1,168,200,227)
	2,088,112,090	169,043,960	2,337,925,496	4,595,081,546

Analysis of Trade and Other Receivables on Maximum Exposure to credit Risk as at 31 March 2022 Re- Presented

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Trade Receivables	-	-	8,292,713,872	8,292,713,872
Lease Trade Receivable Collective Impairment	1,960,779,174	119,515,041	108,579,005	2,188,873,220
Allowances for Expected Credit Losses	(36,745,144)	(27,387,313)	(981,129,802)	(1,045,262,259)
	1,924,034,030	92,127,728	7,420,163,075	9,436,324,833

15.4 Analysis of Trade and Other Receivables on Maximum Exposure to credit Risk as at 31 March 2023 Company

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Trade Receivables	-	-	3,196,720,520	3,196,720,520
Lease Trade Receivable Collective Impairment	2,185,838,564	264,060,444	180,194,066	2,630,093,074
Allowances for Expected Credit Losses	(97,726,474)	(95,016,484)	(907,630,051)	(1,100,373,009)
	2,088,112,090	169,043,960	2,469,284,535	4,726,440,585

Analysis of Trade and Other Receivables on Maximum Exposure to credit Risk as at 31 March 2022

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Trade Receivables	-	-	8,280,879,967	8,280,879,967
Lease Trade Receivable Collective Impairment	1,960,779,174	119,515,041	108,579,005	2,188,873,220
Allowances for Expected Credit Losses	(36,745,144)	(27,387,313)	(979,119,778)	(1,043,252,235)
	1,924,034,030	92,127,728	7,410,339,194	9,426,500,952

15.5 Terms & Conditions of Related Party Balances

Terms and Conditions of the outstanding balances of related party receivables stated in Note 15.1 are as follows

Type of Related party Balance	Terms and conditions of the related party transaction
Trade Receivables - Related Party	- Settlement on demand
Other Receivables - Related Party	- Settlement on demand

16. INVENTORIES

	Group		Company	
	2023 LKR	Re-Represented 2022 LKR	2023 LKR	2022 LKR
Trading Stock	12,314,456,857	12,161,299,697	11,956,052,473	12,157,985,276
Work in Progress	453,464,851	106,461,786	453,464,851	106,461,786
Real Estate Stock	38,468,202	32,066,726	-	-
Less: Provision for Slow Moving Inventory (Note 16.1)	(879,085,119)	(318,559,817)	(873,865,628)	(318,559,817)
Total Inventories at the Lower of Cost and Net Realisable Value	11,927,304,791	11,981,268,392	11,535,651,696	11,945,887,245

16.1 Provision for Slow Moving Inventory

	Group		Company	
	2023 LKR	2022 LKR Re-Represented	2023 LKR	2022 LKR
At the Beginning of the Year	318,559,817	402,229,915	318,559,817	402,229,915
Charge / (Reversal) for the year	560,525,302	(83,670,098)	555,305,811	(83,670,098)
At the End of the Year	879,085,119	318,559,817	873,865,628	318,559,817

17. SECURITIES PURCHASED UNDER REPURCHASE AGREEMENT

	2023 LKR	Re-Represented 2022 LKR
Repurchased Agreements -RIPO	271,331,939	255,049,144
	271,331,939	255,049,144

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

18. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023 LKR	Re-Presented 2022 LKR	2023 LKR	2022 LKR
18.1 Favourable Cash and Short-Term Deposits	1,401,635,274	1,492,904,237	1,013,807,265	1,308,600,954
Cash and Bank Balances	1,401,635,274	1,492,904,237	1,013,807,265	1,308,600,954
18.2 Unfavourable Cash and Short-Term Deposits				
Bank Overdraft (Note 21.1)	(55,541,119)	(53,754,182)	(41,616,592)	(16,928,535)
Total Cash and Short-Term Deposits For the purpose of Cash flow Statement	1,346,094,155	1,439,150,055	972,190,673	1,291,672,419

19. STATED CAPITAL

	2023		2022	
	No of Share	No of Share	No of Share	No of Share
Ordinary Shares *	2,185,000	500,869,225	2,185,000	218,500,000
New Share Split	2,219,119,615	-	2,219,119,615	282,369,225
	2,221,304,615	500,869,225	2,221,304,615	500,869,225

19.1 Rights Preference and restrictions of Classes of Capital

*The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company.

**The holders of non-voting ordinary shares are entitled to receive dividends as declared from time to time on the discretion of the directors. The holders of these shares are not entitled to vote at a meeting of the Company.

20. OTHER COMPONENTS OF EQUITY

	Group		Company	
	2023 LKR	Re-Presented 2022 LKR	2023 LKR	2022 LKR
Revaluation Reserve (Note 20.1)	724,516,495	709,764,040	463,417,223	464,612,254
Other Reserves (Note 20.2)	2,101,658,744	554,338,396	-	-
	2,826,175,239	1,264,102,436	463,417,223	464,612,254

20.1	Revaluation Reserve	Group		Company	
		2023 LKR	Re-Presented	2023 LKR	2022 LKR
			2022 LKR		
	On: Land and Buildings				
	Balance as at the Beginning of the Year	709,764,040	709,764,040	464,612,254	464,612,254
	Increase in Revaluation Reserve Net of Tax	14,752,455	-	(1,195,031)	-
	Balance as at the End of the Year	724,516,495	709,764,040	463,417,223	464,612,254
20.2	Other Reserves	2023	2022	2022	2021
		LKR	LKR	LKR	LKR
20.2.1	Statutory Reserve				
	Balance as at the Beginning of the Year	1,033,076,247	191,107,440	-	-
	Transfer to Statutory Reserve Fund	17,753,125	86,061,758	-	-
	Balance as at the End of the Year	1,050,829,372	277,169,198	-	-
20.2.2	Regulatory Risk Allowance Reserve				
	Balance as at the Beginning of the Year	-	-	-	-
	Transfer to Statutory Reserve Fund	755,907,050	-	-	-
	Balance as at the End of the Year	2,101,658,744	554,338,396	-	-
	Total Other Reserves	3,152,488,116	831,507,594	-	-

The statutory reserve fund is maintained as required by Finance Companies (Capital Funds) Direction No.1 of 2003 issued by Central Bank of Sri Lanka. As per the said Direction, every Registered Finance Company shall maintain a reserve fund, out of the net profit for each year after provisions for taxation and bad and doubtful debts. Accordingly 5% of the net profit for the year transferred to Reserve Fund as required by Section 3(b) ii of the said Direction.

Regulatory Risk Allowance Reserve

In terms of the section 7.0 on Classification and Measurement of Credit Facilities Direction No. 01 of 2020, ensure the following.

Section 7.1.3

Where the loss allowances for expected credit loss falls below the regulatory provisions (i.e., provision and accrued interest in NPL), Company shall maintain the additional loss allowance in a non-distributable regulatory loss allowance reserve (RLAR) through an appropriation of its retained earnings. The additional loss allowance shall be maintained in the RLAR at all times. When loss allowance for expected credit losses exceeds the regulatory provision, the Company may transfer the excess amount in the RLAR to its retained earnings. Company has provided the difference of regulatory provision and impairment provision as per SLFRS 09, Rs. 755,907,050 as of 31.03.2023

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

21. INTEREST BEARING BORROWINGS

21.1 Group

	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2023 Total LKR	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	Re-Presented 2022 Total LKR
Import Financing Loans	2,782,311,446	-	2,782,311,446	1,415,300,213	-	1,415,300,213
Bank Loans	4,911,938,594	1,558,166,654	6,470,105,248	1,734,131,034	2,357,166,658	4,091,297,692
Bank Overdrafts (Note 18.2)	55,541,119	-	55,541,119	53,754,182	-	53,754,182
Commercial Papers	25,184,272	-	25,184,272	450,158,603	-	450,158,603
Debentures - Listed - Unsecured	8,877,987	250,000,000	258,877,987	8,932,670	250,000,000	258,932,670
Securitization	1,684,285,320	268,738,095	1,953,023,415	1,675,806,970	485,508,308	2,161,315,278
	9,468,138,738	2,076,904,749	11,545,043,487	5,338,083,672	3,092,674,966	8,430,758,638

21.1.1 Changes in Interest Bearing Borrowings - Current Year

	Re-Presented As at 1 April 2022 LKR	Obtained during the year LKR	Repayments during the year LKR	Discontinued Subsidiaries LKR	Accrued Interest LKR	As at 31 March 2023 LKR
Import Financing Loans	1,415,300,213	11,618,146,003	(10,272,644,131)	-	21,509,361	2,782,311,446
Bank Loans	4,091,297,692	7,696,643,506	(5,362,466,538)	-	44,630,588	6,470,105,248
Commercial Papers	450,158,603	496,096,637	(923,155,110)	-	2,084,142	25,184,272
Debentures - Listed - Unsecured	258,932,670	-	(31,250,000)	-	31,195,317	258,877,987
Securitization	2,161,315,277	1,235,052,514	(1,853,241,263)	-	409,896,887	1,953,023,415
	8,377,004,455	21,045,938,660	(18,442,757,042)		509,316,295	11,489,502,368

21.1.2 Changes in Interest Bearing Borrowings - Previous Year Re-Presented

	As at 01.04.2021 LKR	Obtained during the year LKR	Repayments during the year LKR	Discontinued Subsidiaries LKR	Accrued Interest LKR	As at 31.03.2022 LKR
Import Financing Loans	364,841,863	21,678,213,080	(20,627,754,730)	-	-	1,415,300,213
Bank Loans	2,311,280,432	8,819,244,883	(7,039,227,623)	-	-	4,091,297,692
Commercial Papers	103,184,002	390,928,481	(44,936,750)	-	982,870	450,158,603
Debentures - Listed - Unsecured	258,932,870	-	(33,904,310)	-	33,904,110	258,932,670
Securitization	1,164,284,296	1,654,944,445	(657,913,464)	-	-	2,161,315,277
	4,202,523,463	32,543,330,889	(28,403,736,877)	-	34,886,980	8,377,004,455

21. INTEREST BEARING BORROWINGS (Contd...)

21.2 Company

	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2023 Total LKR	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2022 Total LKR
Import Financing Loans	2,782,311,446	-	2,782,311,446	1,415,300,213	-	1,415,300,213
Bank Loans	4,101,005,742	858,166,654	4,959,172,396	1,613,014,424	1,592,166,658	3,205,181,082
Bank Overdrafts (Note 18.2)	41,616,592	-	41,616,592	16,928,535	-	16,928,535
Commercial Papers	25,184,272	-	25,184,272	59,366,789	-	59,366,789
Debentures - Listed - Unsecured	8,877,987	250,000,000	258,877,987	8,932,670	250,000,000	258,932,670
	6,958,996,039	1,108,166,654	8,067,162,693	3,113,542,631	1,842,166,658	4,955,709,289

21.2.1 Changes in Interest Bearing Borrowings - Current Year

	As at 01 April 2022 LKR	Obtained during the year LKR	Repayments during the year LKR	Accrued Interest LKR	As at 31 March 2023 LKR
Import Financing Loans	1,415,300,213	11,618,146,003	(10,272,644,131)	21,509,361	2,782,311,446
Bank Loans	3,205,181,082	6,950,710,655	(5,228,366,719)	31,647,378	4,959,172,396
Commercial Papers	59,366,789	496,096,637	(532,363,296)	2,084,142	25,184,272
Debentures - Listed - Unsecured	258,932,670	-	(31,250,000)	31,195,317	258,877,987
	4,938,780,754	19,064,953,295	(16,064,624,146)	86,436,198	8,025,546,101

21.2.2 Changes in Interest Bearing Borrowings - Previous Year

	As at 01 April 2021 LKR	Obtained during the year LKR	Repayments during the year LKR	Accrued Interest LKR	As at 31 March 2022 LKR
Import Financing Loans	364,841,863	21,678,213,080	(20,627,754,730)	-	1,415,300,213
Bank Loans	2,061,763,822	8,054,244,883	(6,910,827,623)	-	3,205,181,082
Commercial Papers	56,835,763	46,484,906	(44,936,750)	982,870	59,366,789
Debentures - Listed - Unsecured	258,932,870	-	(33,904,310)	33,904,110	258,932,670
	2,742,374,318	29,778,942,869	(27,617,423,413)	34,886,980	4,938,780,754

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

21. INTEREST BEARING BORROWINGS (Contd...)

21.3 Company Security and repayment terms -Import Finance Loans & Bank Loans

	Loan Outstanding	Tenor	Interest Rate	Collateral
Abans PLC				
Import Financing Loans	2,782,311,446	3-6 Month	AWPLR+0.5% - AWPLR+1%	Stocks and Book Debtors
Term Loan -Sampath	464,000,000	2 YEARS	AWPLR+1.25%	Hire Purchase Receivable
Term Loan -NTB	383,333,338	4 YEARS	AWPLR+0.85%	Stocks and Book Debtors
Term Loan-BOC	133,333,320	1 YEAR	AWPLR +5.5%	No Collateral
Term Loan-HNB	611,500,000	2 YEARS	Weekly AWPLR+0.75%	Credit Card Receivables
Short Term Loan - NDB	511,237,940	3-4 Month	AWPLR+3%	No Collateral
Short Term Loan -Sampath	1,254,487,401	4-6 Minth	0.2153	No Collateral
Short Term Loan -Seylan	588,207,192	3-4 Month	AWPLR+1%	No Collateral
Short Term Loan -PABC	504,182,795	3-6 Month	AWPLR%	No Collateral
Commercial Papers	25,184,272	3-12 Month	0.25	No Collateral
Abans Finance PLC				
Securitization	1,953,023,415	15-30 Month	12%	Lease Portfolio
AB Manufacturing (Pvt)Ltd				
Bank Loans - NDB PLC	1,460,932,852	03-60 Month	AWPLR+1.25%	Stocks and Book Debtors
Bank Loans - Commercial Bank PLC	50,000,000	03 Month	32%	Stocks and Book Debtors

21.4 Debentures

Senior Listed Rated Unsecured Redeemable

Year of Issue	Face Value	Term	Issue Date	Maturity Date	Interest Rate	2023 LKR	2022 LKR
2019	250,000,000	5 Years	19-12-2019	19-12-2024	12.50%	258,877,987	258,932,670

* The purpose of the Debenture issue was to Restructure the Capital of the Company and this was fully completed .

22. WARRANTY PROVISION

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Balance as at the beginning of the Year	442,234,057	348,548,930	442,234,058	348,548,931
Provision for the Year	115,105,900	278,143,018	115,105,900	278,143,018
Utilised during the Year	(281,649,290)	(184,457,891)	(281,649,290)	(184,457,891)
Balance as at the end of the Year	275,690,667	442,234,057	275,690,668	442,234,058

23. EMPLOYEE BENEFITS LIABILITIES

	Group		Company	
	2023 LKR	Re-Presented 2022 LKR	2023 LKR	2022 LKR
23.1 Employee Benefits Liability				
Balance as at 01 April	332,163,593	332,817,019	304,562,980	305,802,093
Provision for the Year	81,371,558	52,779,164	70,909,920	47,517,799
Net Actuarial (Gain)/Loss	(32,390,226)	(26,591,481)	(33,047,399)	(24,211,188)
Benefit Paid	(43,691,792)	(24,749,337)	(40,794,643)	(22,453,952)
Transferred from/(to) Intercompany (Note 23.6)	9,486,314	(2,091,772)	(2,379,140)	(2,091,772)
Balance as at 31 March	346,939,447	332,163,593	299,251,718	304,562,980

23.2 Expense on Benefits Plan

Current Service Cost	34,045,165	30,314,733	27,697,631	27,017,353
Interest Cost on Benefit Obligation	47,326,393	22,464,431	43,212,289	20,500,446
Discontinued Operation	-	-	-	-
The Total Amount Charged to Statement of Profit or Loss	81,371,558	52,779,164	70,909,920	47,517,799
Actuarial (Gain)/Loss	(32,390,226)	(26,591,481)	(33,047,399)	(24,211,188)
Discontinued Operation	-	-	-	-
Other Comprehensive Income charge	(32,390,226)	(26,591,481)	(33,047,399)	(24,211,188)

23.3 Actuarial & Management Consultants (Private) Limited Carried out an Actuarial Valuation of the Employed Benefit Plan - Gratuity on 31 March 2023. Appropriate and Compatible Assumptions were used in determining the cost of Retirement Benefit. The Principle Assumptions used as at 31 March 2023 are as Follows,

	Group		Company	
	2023	Re-Presented 2022	2023	2022
Method of Actuarial Valuation	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)
Financial Assumption				
Discount Rate	18% - 21%	14.3%	21%	14.3%
Salary Increment Rate	15% - 16%	12%	16%	12%
Staff Turnover Rate	20%	20%	20%	20%
Retirement Age - Female	60 Years	60 Years	60 Years	60 Years
- Male	60 Years	60 Years	60 Years	60 Years

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

EMPLOYEE BENEFITS LIABILITIES (Contd....)

23.4 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a possible change in key assumptions employed with all other variables held constant in the Employee Benefit Liability Measurement

	2023		2022 Re-Presented	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Group				
Discount rate	324,271,666	358,142,670	320,669,919	344,579,658
Salary Increment Rate	359,885,732	334,382,992	346,033,301	319,127,837
Company				
Discount rate	290,236,383	308,892,649	294,282,235	315,650,597
Salary Increment Rate	310,365,966	288,717,782	316,926,604	292,920,077

23.5 Maturity profile of defined benefit liabilities

	2023	Group 2022 Re-Presented	2023	Company 2022
23.5.1 Weighted average future working life time	4.45 - 7.90	4.45 - 5.31	4.45	4.45

23.5.2 Maturity analysis of defined benefit payments

	2023 LKR	Group 2022 LKR Re-Presented	2023 LKR	Company 2022 LKR
Within the next 12 month	71,480,798	71,145,350	66,019,752	66,721,735
Between 1-2 Years	101,518,369	95,384,407	99,465,053	95,384,407
Between 3-5 Years	84,356,811	84,576,162	68,359,341	72,925,309
Between 6-10 Years	65,426,616	60,265,112	51,832,288	52,607,402
Beyond 10 Years	23,810,358	20,792,562	13,575,289	16,924,127
	346,592,951	332,163,593	299,251,723	304,562,980

23.6 Employee Benefits Liability Transferred from/(to) Related Parties

	2023 LKR	Group 2022 LKR Re-Presented	2023 LKR	Company 2022 LKR
Abans Auto (Private) Limited	585,498	1,759,128	585,498	1,759,128
Sirius Technologies Services (Pvt) Ltd	(96,659)	-	(96,659)	-
Crown City Developers (Pvt)	(1,417,733)	(3,686,199)	(1,417,733)	(3,686,199)
Abans Electrical PLC	10,415,208	(164,701)	(1,450,246)	(164,701)
	9,486,314	(2,091,772)	(2,379,140)	(2,091,772)

24. TRADE AND OTHER PAYABLES

24.1 Group	Group	2023	2022	2023	2022
		LKR	LKR Re-Presented	LKR	LKR
	Trade Payable - Related Parties	1,059,937,478	630,085,450	395,532,967	630,085,450
	- Other	5,575,477,305	10,580,922,684	162,157,756	6,041,015,946
	Other Payable - Related Parties	241,811,264	197,330,732	170,143,894	127,267,358
	- Other	398,190,392	364,756,652	367,754,070	353,927,793
		7,275,416,439	11,773,095,518	1,095,588,687	7,152,296,547
	Advances and Deposits	679,357,494	991,482,337	679,357,494	991,482,337
		7,954,773,933	12,764,577,855	1,774,946,181	8,143,778,884
	Sundry Creditors Including Accrued Expenses	2,365,882,979	2,506,325,278	1,937,450,351	2,068,538,009
		10,320,656,912	15,270,903,133	3,712,396,532	10,212,316,893

24.2 Terms & Conditions of Related Party Balances

Terms and Conditions of the outstanding balances of related party payables stated in Note 24.1 are as follows

Type of Related party Balance	Terms and conditions of the related party transaction
Trade Payables - Related Party	- Settlement on demand
Other Payables - Related Party	- Settlement on demand

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES

25.1 Financial Assets and Liabilities by Categories

Group

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 09.

Financial Assets by Categories

Financial Assets by Categories		At Amortized Cost		Measured at Fair Value Through Profit or Loss		Measured at Fair Value Through Other Comprehensive Income		
		Notes	2023 LKR	Re-Presented 2022 LKR	2023 LKR	Re-Presented 2022 LKR	2023 LKR	Re-Presented 2022 LKR
Financial instruments in non-current assets								
Other Financial Assets	14.			-		15,080,400	15,080,400	
Financial instruments in current assets								
Trade and Other Receivables Excluding Pre-payments	15.1	4,703,936,066	9,517,231,039	-		-	-	
Other Financial Assets	14	1,690,673,459	3,394,077,769	331,200	488,400	-	-	
Cash and Short-Term Deposits	18.1	1,401,635,274	1,492,904,237	-		-	-	
				-		-	-	
Total		7,796,244,799	14,404,213,045	331,200	488,400	15,080,400	15,080,400	

Financial Liabilities by Categories

Financial Liabilities by Categories	Financial Liabilities Measured at Fair Value			Financial Liabilities Measured at Amortized Cost	
	Notes	2023 LKR	2022 LKR	2023 LKR	Re-Presented
					2022 LKR
Financial instruments in non-current liabilities					
Interest Bearing Borrowings	21.1			2,076,904,749	3,092,674,966
Financial instruments in current liabilities					
Interest Bearing Borrowings	21.1			9,468,138,738	5,338,083,672
Trade and Other Payables	24.1			10,320,656,912	15,270,903,133
Total				21,865,700,399	23,701,661,771

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd...)

25.1 Financial Assets and Liabilities by Categories (Contd...)

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 09.

Company

Financial Assets by Categories	Notes	At Amortized Cost		Measured at Fair Value Through Profit or Loss		Measured at Fair Value Through Other Comprehensive Income	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Financial instruments in non-current assets							
Other Financial Assets	14.	-	-	-	-	15,000,000	15,000,000
Financial instruments in current assets							
Trade and Other Receivables Excluding Pre-payments	15.1	4,734,875,906	9,434,907,927	-	-	-	-
Other Financial Assets	14.	753,986,164	2,321,256,027	331,200	484,400	-	-
Cash and Short Term Deposits	18.1	1,013,807,265	1,308,600,954	-	-	-	-
Total		6,502,669,335	13,064,764,908	331,200	488,400	15,000,000	15,000,000

Financial Liabilities by Categories	Notes	Financial Liabilities Measured at Fair Value		Financial Liabilities Measured at Amortized Cost	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Financial instruments in non-current liabilities					
Interest Bearing Borrowings	21.2	-	-	1,108,166,654	1,842,166,658
Financial instruments in current liabilities					
Trade and Other Payables	24.2	-	-	3,712,396,532	10,212,316,893
Interest Bearing Borrowings	21.2	-	-	6,958,996,039	3,113,542,631
Total		-	-	11,779,559,225	15,168,026,182

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd...)

25.2 Fair Value Hierarchy

The Group/Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following tables sets out the group's and Company's asset and liabilities that are measured and recognised at fair value as at 31 March 2023.

Financial Assets - Group	Level 1 LKR	Level 2 LKR	Level 3 LKR	Total LKR
Recurring Fair Value Measurements				
Financial Assets:				
Measured at Fair Value Through Profit or Loss	331,200	-	-	331,200
Unit trust investments	-	8,613,335	-	8,613,335
Measured at Fair Value Through Other Comprehensive Income	-	-	15,080,400	15,080,400
Total Recurring Financial Assets	331,200	8,613,335	15,080,400	24,024,935
Non-Financial Assets:				
Land and Buildings	-	-	1,872,670,101	1,872,670,101
Investment Properties	-	-	209,900,000	209,900,000
Total Recurring Non-Financial Assets	-	-	2,082,570,101	2,082,570,101

Financial Assets - Company	Level 1 LKR	Level 2 LKR	Level 3 LKR	Total LKR
Recurring Fair Value Measurements				
Financial Assets:				
Measured at Fair Value Through Profit or Loss	331,200	-	-	331,200
Measured at Fair Value Through Other Comprehensive Income	-	-	15,000,000	15,000,000
Total Recurring Financial Assets	331,200	-	15,000,000	15,331,200
Non-Financial Assets:				
Land and Buildings	-	-	741,615,102	741,615,102
Investment Properties	-	-	209,900,000	209,900,000
Total Recurring Non-Financial Assets	-	-	951,515,102	951,515,102

The Group/Company does not have any financial liability which is carried at fair value in the statement of financial position.

During the reporting period ended 31 March 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

The group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Item and Valuation Approach	Key Comparable Data	Relationship Between Comparable Inputs to Fair Value
Unlisted Equity Securities Fair value is determined by Net Assets basis	Market value of assets, recoverable value of trade & other receivable, book value of liability	The Company's Adjusted Net Assets Value (ANAV) less than cost of investment immediately recognise as an impairment to the investment
Land and Buildings Fair value is determined by Cost Method	The fair values of land are derived using the Cost approach. Sale prices of comparable land in similar location are adjusted for differences in key attributes such as land size. The valuation model is based on value per square meter.	The higher the value per perch/square feet, higher fair value and higher the Estimated Outgoing Expenses, lower the fair value.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd...)

25.3 Fair Value of Financial Instruments

Group	Note	2023 Carrying Amount LKR	2023 Fair Value LKR	2022 Carrying Amount LKR	2022 Fair Value LKR
Financial Assets					
Other Financial Assets					
Trade and Other Receivables Excluding Pre-payments		1,714,698,394	1,714,698,394	3,700,849,544	3,700,849,544
Cash and Short-Term Deposits	A	4,703,936,066	4,703,936,066	9,517,231,039	9,517,231,039
	A	1,401,635,274	1,401,635,274	1,492,904,237	1,492,904,237
Financial Liabilities					
Interest Bearing Borrowings (Non-Current)	B	2,076,904,749	2,076,904,749	3,092,674,966	3,092,674,966
Interest Bearing Borrowings (Current)	A	9,468,138,738	9,468,138,738	5,338,083,672	5,338,083,672
Trade and Other Payables (Current)	A	10,320,656,912	10,320,656,912	15,270,903,133	15,270,903,133

Company	Note	Carrying Amount LKR	Fair Value LKR	Carrying Amount LKR	Fair Value LKR
Financial Assets					
Other Financial Assets		769,317,364	769,317,364	2,336,744,427	2,336,744,427
Trade and Other Receivables Excluding Pre-payments	A	4,734,875,906	4,734,875,906	9,434,907,927	9,434,907,927
Cash and Short-Term Deposits	A	1,013,807,265	1,013,807,265	1,308,600,954	1,308,600,954
Financial Liabilities					
Interest Bearing Borrowings (Non-Current)	B	1,108,166,654	1,108,166,654	1,842,166,658	1,842,166,658
Interest Bearing Borrowings (Current)	A	6,958,996,039	6,958,996,039	3,113,542,631	3,113,542,631
Trade and Other Payables	A	3,712,396,532	3,712,396,532	10,212,316,893	10,212,316,893

The following describes the method and assumptions used to determine the fair values for those financial assets and liabilities which are not already recorded at fair value in the financial statements;

Fair Value Hierarchy

Other Financial Assets

Other Financial Assets include investments in Fixed Deposit with the carrying value of LKR 851,981,433/-

- A. Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- B. Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group/Company based on parameters such as interest rates, specific counting risk factors, and risk characteristics of the financed project etc. As at 31 March 2022, the carrying amounts of such receivables/borrowings are not materially different from their calculated fair values.

Reclassification of financial assets

There have been no reclassifications during 2023 & 2022.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd...)

25.4 Financial Risk Management - Objective And Policies

The Group's risk management is overseen by the Company, in close co-operation with the board of directors and focuses on actively securing the group's short to medium term cash flows by minimizing the exposure to financial markets. Long term financial investments are managed to generate lasting returns. The group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the group is exposed are described below.

The Group is exposed to market risk, credit risk and liquidity risk.

25.4.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, FVTOCI financial investments and other financial investments, the Group's exposure to credit risk arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfil their obligations.

25.4.1.1 Trade & Other Receivables

Customers credit risk is managed by each business unit subject to the Group's established policies and procedures relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letter of credit or other forms of credit insurance.

The requirement for an impairment is analyzed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data.

Credit quality of trade receivables that are neither past due or impaired is explained below.

Group	Past Due Not Impaired						
	Total LKR	Neither Past Due nor Impaired LKR	< 30 days LKR	30-60 days LKR	61-90 days LKR	91-120 days LKR	> 120 days LKR
2023	2,662,675,871	1,232,936,332	309,122,853	149,160,704	182,200,379	78,860,110	710,395,492
2022 Re-Presented	3,916,717,598	2,478,187,085	379,314,420	334,602,292	123,448,557	83,840,803	517,324,441

Company	Past Due Not Impaired						
	Total LKR	Neither Past Due nor Impaired LKR	< 30 days LKR	30-60 days LKR	61-90 days LKR	91-120 days LKR	> 120 days LKR
2023	2,639,723,240	1,209,983,702	309,122,853	149,160,704	182,200,379	78,860,110	710,395,492
2022	3,916,717,598	2,478,187,085	379,314,420	334,602,292	123,448,557	83,840,803	517,324,441

25.4.1.3 Cash in hand and at bank

In order to mitigate concentration, settlement and operational risks related to cash and cash equivalents, the group limits the maximum cash amount that can be deposited with a single counterparty. The Group and Company held cash and cash equivalents of LKR 1,399 Mn and LKR 1,011 Mn at 31 March 2023 (2022 - LKR 1,492 Mn and 1,308 Mn).

25.4.1.4 Sensitivity Analysis : Impact of increase/(Decrease) of loss rate by 1% on collective allowance for expected credit losses

If the loss rates used by the Group in determining collective impairment has increased / decreased by 1%, ECL provision of the company as at 31 March 2023 would have increased / decreased by Rs. 97,285,967/- (2022- 51,987,643/-), Company Rs. 6,201,163/- (2022- 8,686,842/-).

25.4.2 Credit Exposure

Maximum Exposure to Credit risk

The following table shows the maximum exposure to credit risk by class of financial asset and the value of financial assets covered by the collateral.

Group Type of Collateral 2023	Maximum Exposure to Credit Risk	Fair Value of Collateral Held				Total Collateral held	Net Exposure to Credit Risk
		Cash / Near Cash	Property Mortgages	Moveable Assets *	Other **		
Cash and Bank Balances (Excluding cash in hand)	1,394,969,787	-	-	-	-	-	1,394,969,787
Securities Purchased under Repurchase Agreement	271,331,939	-	-	-	-	-	271,331,939
Measured at Fair Value through Other Comprehensive Income	15,080,400	-	-	-	-	-	15,080,400
Measured at Fair Value Through Profit or Loss	331,200	-	-	-	-	-	331,200
Measured at Amortized Cost	1,690,673,459	-	-	-	-	-	1,690,673,459
Trade and Other Receivables excluding Prepayments	4,703,936,066	-	-	-	-	-	4,703,936,066
Loans and Advances	1,289,574,571	71,350,581	405,835,786	45,732,072	47,513	522,965,952	766,608,619
Lease rentals receivable	8,554,172,003	-	-	7,311,348,583	-	7,311,348,583	1,242,823,420
	17,920,069,425	71,350,581	405,835,786	7,357,080,655	47,513	7,834,314,535	10,085,754,890

Group Type of Collateral 2022 Re-Presented	Maximum Exposure to Credit Risk	Fair Value of Collateral Held				Total Collateral held	Net Exposure to Credit Risk
		Cash / Near Cash	Property Mortgages	Moveable Assets *	Other **		
Cash and Bank Balances (Excluding cash in hand)	1,490,376,395						1,490,376,395
Securities Purchased under Repurchase Agreement	255,049,144	-	-	-	-	-	255,049,144
Measured at Fair Value through Other Comprehensive Income	15,080,400	-	-	-	-	-	15,080,400
Measured at Fair Value Through Profit or Loss	488,400	-	-	-	-	-	488,400
Measured at Amortized Cost	3,394,077,769	-	-	-	-	-	3,394,077,769
Trade and Other Receivables excluding Prepayments	9,517,231,039	-	-	-	-	-	9,517,231,039
Loans and Advances	1,409,029,830	71,350,581	405,835,786	45,732,072	47,513	522,965,952	886,063,878
Lease rentals receivable	7,761,727,734	-	-	7,311,348,583	-	7,311,348,583	450,379,151
	23,843,060,711	71,350,581	405,835,786	7,357,080,655	47,513	7,834,314,535	16,008,746,176

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Year ended 31 March 2023

Company Type of Collateral 2023	Maximum Exposure to Credit Risk	Fair value of Collateral held	Net Exposure to Credit Risk
Cash and Bank Balances (Excluding cash in hand)	1,007,141,778	-	1,007,141,778
Measured at Fair Value through Other Comprehensive Income	15,000,000	-	15,000,000
Measured at Fair Value Through Profit or Loss	488,400	-	488,400
Measured at Amortized Cost	2,321,256,027	-	2,321,256,027
Trade and Other Receivables excluding Prepayments	9,434,907,927	-	9,434,907,927
	12,778,794,132	-	12,778,794,132

Company Type of Collateral 2022	Maximum Exposure to Credit Risk	Fair value of Collateral held	Net Exposure to Credit Risk
Cash and Bank Balances (Excluding cash in hand)	1,304,033,103	-	1,304,033,103
Measured at Fair Value through Other Comprehensive Income	15,000,000	-	15,000,000
Measured at Fair Value Through Profit or Loss	488,400	-	488,400
Measured at Amortized Cost	2,321,256,027	-	2,321,256,027
Trade and Other Receivables excluding Prepayments	9,434,907,927	-	9,434,907,927
	13,075,685,457	-	13,075,685,457

25.4.2.1 Liquidity Risk

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its medium-term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans and overdrafts.

25.4.2.2 Liquidity risk management

The business units attempt to match contracted cash outflows in each time bucket using a combination of operational cash inflows and other inflows that can be generated through the liquidation of short-term investments, repurchase agreements or other secured borrowings.

Contractual maturity analysis

The below table summarizes the maturity periods of liabilities in due.

Group (As at 31 March 2023)	Less than 1 year LKR	1 to 2 years LKR	2 to 5 years LKR	Total LKR
Interest Bearing Borrowings	9,468,138,738	1,826,904,749	250,000,000	11,545,043,487
Trade and Other Payables	10,320,656,912	-	-	10,320,656,912
	19,788,795,650	1,826,904,749	250,000,000	21,865,700,399
Group (As at 31 March 2022) Re-Presented	Less than 1 year LKR	1 to 2 years LKR	2 to 5 years LKR	Total LKR
Interest Bearing Borrowings	5,338,083,672	2,797,424,966	295,250,000	8,430,758,638
Trade and Other Payables	15,270,903,133	-	-	15,270,903,133
	20,608,986,805	2,797,424,966	295,250,000	23,701,661,771
Company (As at 31 March 2023)	Less than 1 year LKR	1 to 2 years LKR	2 to 5 years LKR	Total LKR
Interest Bearing Borrowings	6,958,996,039	858,166,654	250,000,000	8,067,162,693
Trade and Other Payables	3,712,396,532	-	-	3,712,396,532
	10,671,392,571	858,166,654	250,000,000	11,779,559,225
Company (As at 31 March 2022)	Less than 1 year LKR	1 to 2 years LKR	2 to 5 years LKR	Total LKR
Interest Bearing Borrowings	3,113,542,631	1,546,916,658	295,250,000	4,955,709,289
Trade and Other Payables	10,212,316,893	-	-	10,212,316,893
	13,325,859,524	1,546,916,658	295,250,000	15,168,026,182

Due to the recent economic developments, Group has given more focus on its liquidity position. Group has implemented procurement and vendor evaluation policies to prevent payment of excessive prices to suppliers and to obtain favourable credit periods in order to ensure a strong working capital position. Adequate short-term working capital facilities provided by banks are available to the Group which are utilised in the event of a requirement. The Group maintains a constant dialogue with the banking sector institutions to ensure that there are sufficient working capital facilities available whenever required and closely monitors their utilisation.

NOTES TO THE FINANCIAL STATEMENT

25.4.2.3 Capital Management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure shareholder value is maximized.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023.

25.4.3 Market Risk

The group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements.

The group has been closely monitoring the exchange rate fluctuations due to the recent market developments since significant inventories are purchased from the international markets. Close scrutiny is given to measures taken by the regulatory bodies to manage the exchange rates and selling prices of the products are aligned according to the currency fluctuations.

The Sri Lankan Rupee witnessed significant volatility and the currency depreciated sharply during the year ended 31 March 2023. In addition to the depreciation of the currency, there were significant challenges in the foreign currency market on the back of a marked reduction in liquidity amidst declining confidence and a depletion of foreign currency reserves in the country. This resulted in a series of measures such as the continuation of certain import controls and stipulations on foreign currency conversions and remittances. The lack of confidence in the market however resulted in a sharp reduction in foreign currency employment remittances which exacerbated the liquidity situation. The Group adopted prudent measures, as and when required, to manage the financial impacts arising from the liquidity constraints and currency fluctuations by matching liabilities with corresponding inflows.

Following Table demonstrate the maturity profile of the foreign currency denominated Payables.

Foreign Currency Denominated Payable

Foreign Currency Denominated Payable	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Within 01 Month	26,135,940	6,443,773,640	26,135,940	6,443,773,640
More than one Month				
Total Foreign Currency Denominator payable			2023	2023
			USD - \$	LKR
			79,320	26,135,940
			-	-
			79,320	26,135,940

Exchange rate Sensitivity (Group/ Company)

If the closing exchange rate of Sri Lankan Rupee against 1 US dollar increase/decrease by 1 rupee per dollar, Group foreign currency denominated payables would have increased/decreased by Rs 79,320/-

25.4.4 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The Central Bank of Sri Lanka adopted a tightening monetary policy stance during the latter half of the financial year, resulting in an upward trend in interest rates. Elevated pressures on inflation on account of many factors including increases in global commodity prices, food supply and the sharp depreciation of the currency in March 2022 have resulted in strong policy actions by the CBSL on monetary policy post the end of the reporting period. Such actions have raised monetary policy rates significantly and helped bridge the gap between policy and market interest rates. The Group proactively managed the risk of increasing interest rates by re-balancing its portfolio of borrowings and moved a sizeable portion of the Sri Lankan Rupee borrowings on a long-term basis. Further, where relevant and possible, a majority of the Sri Lankan Rupee long-term facilities were on a fixed rate basis over the tenor of the loan.

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Long Term Loans @ Variable Interest Rates	6,478,983,235	1,493,063,704	858,166,654	1,592,166,658
Long Term Loans @ Fixed Interest Rates	258,877,987	258,932,670	258,877,987	258,932,670
Short Term Loans @ Variable Interest Rate	2,828,974,578	4,067,288,383	6,924,933,780	3,045,243,172
Short Term Loans @ Fixed Interest Rate	1,978,207,687	2,611,473,881	25,184,272	59,366,789

Interest Rate Sensitivity

All of Group's borrowings with variable interest rates are linked with AWPLR - LKR. If the AWPLR rate increase/decrease by 1% during the year, profit for the year would have decreased/increased by Rs 57.9 Mn. (2022 - Rs 80.4 Mn)

Other Price Risk

The Group is exposed to equity price risk in respect of its listed equity securities and price risk for listed debentures. The Group manages those risks by monitoring the markets closely. According to Group policies amounts invested in volatile assets such as shares and debentures are restricted by limits set by Group management.

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd...)

26.1 Analysis of Risk Concentration

The following table shows the risk concentration by sector for the Financial Assets components of the Statement of Financial Position.

As at 31 March 2023 - Group

Purpose wise Breakdown	Cash and Bank Balances	Securities Purchased under Repurchase Agreement	Loans and Advances	Lease rentals receivables	Equity instruments at fair value through OCI	Debt instruments at amortised cost	Equity instruments at fair value through P&L	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Agriculture	-	-	8,871,601	44,559,727	-	-	-	53,431,328
Manufacturing	-	-	4,130,736	9,315,924	-	-	-	13,446,660
Construction	-	-	6,073,081	21,829,385	-	-	-	27,902,466
Financial Services	1,401,635,274	-	1,801,479	6,247,308	80,400	851,981,433	-	2,261,745,894
Trading	-	-	61,770,788	270,025,738	-	2,674,435,495	-	3,006,232,021
Government	-	271,331,939	-	-	-	838,692,026	-	1,110,023,965
Hotels	-	-	125,111	4,593,934	5,000,000	-	-	9,719,045
Services	-	-	8,085,493	18,736,255	10,000,000	-	-	36,821,748
Others	-	-	863,313,932	7,412,175,078	-	2,029,500,571	331,200	10,305,320,781
Total	1,401,635,274	271,331,939	954,172,221	7,787,483,349	15,080,400	6,394,609,525	331,200	16,824,643,908

As at 31 March 2022 - Group Re-Presented

Purpose wise Breakdown	Cash and Bank Balances	Securities Purchased under Repurchase Agreement	Loans and Advances	Lease rentals receivables	Equity instruments at fair value through OCI	Debt instruments at amortised cost	Equity instruments at fair value through P&L	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Agriculture	-	-	53,163,819	10,796,308	-	-	-	63,960,127
Manufacturing	-	-	36,252,434	3,936,152	-	-	-	40,188,586
Construction	-	-	27,789,505	9,255,065	-	-	-	37,044,570
Financial Services	1,492,904,237	-	38,649,292	1,290,110	80,400	2,806,918,444	-	4,339,842,483
Trading	-	-	33,585,579	10,593,401	-	3,916,717,598	-	3,960,896,578
Government	-	255,049,144	-	-	-	587,159,325	-	842,208,469
Hotels	-	-	7,659,956	331,415	5,000,000	-	-	12,991,371
Services	-	-	492,348,200	54,477,901	10,000,000	-	-	556,826,101
Others	-	-	366,672,403	6,909,078,543	-	5,600,513,441	488,400	12,876,752,787
Total	1,492,904,237	255,049,144	1,056,121,188	6,999,758,895	15,080,400	12,911,308,808	488,400	22,730,711,072

26.2 Analysis of Risk Concentration

As at 31 March 2023 - Company

Purpose wise Breakdown	Cash and Bank Balances	Securities Purchased under Repurchase Agreement	Loans and Advances	Lease rentals receivables	Equity instruments at fair value through OCI	Debt instruments at amortised cost	Equity instruments at fair value through P&L	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Financial Services	1,013,807,265	-	-	-	-	753,986,164	-	1,767,793,429
Trading	-	-	-	-	-	2,651,482,864	-	2,651,482,864
Hotels	-	-	-	-	5,000,000	-	-	5,000,000
Services	-	-	-	-	10,000,000	-	-	10,000,000
Others	-	-	-	-	-	2,083,393,042	331,200	2,083,724,242
Total	1,013,807,265	-	-	-	15,000,000	5,488,862,070	331,200	6,518,000,535

As at 31 March 2023 - Company

Purpose wise Breakdown	Cash and Bank Balances	Securities Purchased under Repurchase Agreement	Loans and Advances	Lease rentals receivables	Equity instruments at fair value through OCI	Debt instruments at amortised cost	Equity instruments at fair value through P&L	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Financial Services	1,308,600,954	-	-	-	-	2,321,256,027	-	3,629,856,981
Trading	-	-	-	-	-	3,916,717,598	-	3,916,717,598
Hotels	-	-	-	-	5,000,000	-	-	5,000,000
Services	-	-	-	-	10,000,000	-	-	10,000,000
Others	-	-	-	-	-	5,518,190,329	488,400	5,518,678,729
Total	1,308,600,954	-	-	-	15,000,000	11,756,163,954	488,400	13,080,253,308

27. DISCONTINUED OPERATIONS

During FY 2021/22 period, the Company disposed its 100% stake of AB Technology (Pvt) Ltd by means of a share buyback. Performance and the gain or loss from disposal was recorded under "Profit for the period from Discontinued Operation".

27.1

Revenue and Expenses from Discontinued Operations	Mar-22 LKR	Related Party Transacion Elimination Mar-22 LKR	After Related Party Transacion Elimination Mar-22 LKR
Revenue	-	-	-
Cost of Sales	-	-	-
Gross Profit	-	-	-
Administrative Expenses	(138,862)	-	(138,862)
Operating Profit	(138,862)	-	(138,862)
Finance Cost	-	-	-
Profit/(Loss) Before Tax	(138,862)	-	(138,862)
Group Disposal Profit /Loss	728,828,809	-	728,828,809
	728,689,947	-	728,689,947
Income Tax Expense	-	-	-
Profit / (Loss) for the year from discontinued operations	728,689,947	-	728,689,947
Total Profit / (Loss) for the year from discontinued operations	728,689,947	-	728,689,947
Other Comprehensive Income			
Total Other Comprehensive Income for the Year, Net of Tax	-	-	-
Total Comprehensive Income for the Year, Net of Tax	728,689,947	-	728,689,947

27.2 The major class of assets and liabilities classified as held for sales and disposed subsidiaries are, as follows

	Disposal Group Held for Sale		Disposed Subsidiary during the Year
	Abans PLC	Total	AB Technologies (Pvt) Ltd
	31 March 2022 LKR	31 March 2022 LKR	31 March 2021 LKR
Assets			
Property, Plant and Equipment	1,527,327	1,527,327	-
Trade and Other Receivables	-	-	7,730,557
Cash and Cash Equivalent	-	-	6,550,505
Total Assets held for Sale	1,527,327	1,527,327	14,281,062
Liabilities			
Trade and Other Payables	-	-	5,925,171
Liabilities directly associated with assets held for sale	-	-	5,925,171
Net assets	1,527,327	1,527,327	8,355,891
Net assets directly associated with disposal group	1,527,327	1,527,327	8,355,891

NOTES TO THE FINANCIAL STATEMENT

27. DISCONTINUED OPERATIONS (Contd...)

27.2 The major class of assets and liabilities classified as held for sales and disposed subsidiaries are, as follows

	2023 LKR	Company 2022 LKR
Assets		
Property, Plant and Equipment	-	1,527,327
	-	1,527,327

27.3 Net gain/Loss from disposal of Subsidiaries	AB Technologies (Pvt) Ltd		AB Sun City (Pvt) Ltd	
	Group LKR	Company LKR	Group LKR	Company LKR
	30 June 21	30 June 21	30 June 21	30 June 21
Sales Proceeds	6,136,000	6,136,000	2,751,680,000	2,751,680,000
Abans PLC Investment	-	(5,000,000)	-	(2,751,680,000)
Net assets as at 30 June 2022	(8,355,891)	-	(2,020,631,300)	-
Disposal Profit/ (Loss)	(2,219,891)	1,136,000	731,048,700	-

28. ASSETS PLEDGED

The following assets have been pledged as security for Liabilities.

28.1 Assets Pledged by Abans PLC

Nature of Assets	Nature of Liability	Purpose	Carrying Amount Pledged	
			2023 LKR	2022 LKR
Finished Goods	Primary Mortgage Bond over Stock For LKR 5,845.5 Mn	Import Loans	11,535,651,696	11,945,887,245
Trade Debtors - Other	Primary Mortgage Bond over Debtors For LKR 5,845.5 Mn	Import Loans	2,651,482,864	3,916,717,598
Trade Debtors - H.P Debtors	Hire Purchased Receivable Securitization Loan-LKR 2,397 Mn	Term Loan	1,254,781,963	2,271,125,820
Finished Goods and Trade Debtors	Primary Mortgage Bond over Stock and Receivables of 520 Mn	Term Loan	14,187,134,560	15,862,604,843
Finished Goods and Trade Debtors	Primary Mortgage Bond over Stock and Receivables of 705 Mn	Import Loan	14,187,134,560	15,862,604,843

28.2 Assets Pledged by Abans Finance PLC

Included Under Assets Held for Sale				
Lease & Hire Purchase Receivables	Bank Overdraft	-		
Placement with Bank	Bank Overdraft	53,775,584		53,365,669
Lease & Hire Purchase Receivables	Term Loan	3,932,043,955		3,551,307,642

29. LEASES

29.1 Group as a lessee

Amounts recognised in the statement of financial position and income statement

Set out below, are the carrying amounts of the Group's right of use assets and the lease liability and the movements for the period ended 31 March 2022.

29.1.1 Right of use assets Lease hold Lands

	Group		Company	
	2023 LKR	Re-Presented 2022 LKR	2023 LKR	2022 LKR
As at 1 April	241,616,159	244,242,422	241,616,159	244,242,422
Depreciation expense	(2,626,263)	(2,626,263)	(2,626,263)	(2,626,263)
As at 31 March	238,989,896	241,616,159	238,989,896	241,616,159

Lease hold Lands

	Group		Company	
	2023 LKR	Re-Presented 2022 LKR	2023 LKR	2022 LKR
As at 1 April	2,313,829,912	1,717,492,588	2,138,704,629	1,655,001,716
Additions	227,349,837	1,170,685,695	207,127,418	1,014,553,962
Lease Modifications	(458,620,084)	166,323,328	(458,620,084)	166,323,328
Depreciation expense	(733,410,631)	(740,671,700)	(689,438,360)	(697,174,378)
As at 31 March	1,349,149,034	2,313,829,912	1,197,773,603	2,138,704,629
Total ROU Assets as at 31 March	1,588,138,930	2,555,446,071	1,436,763,499	2,380,320,788

Estimated life time of ROU assets with respect to lease hold properties equals to its lease term. Lease terms with respect to above lease hold properties are disclosed in Note No 2.3.11

29.1.2 Lease liability

Set out below are the carrying amounts of lease liabilities and the movements for the period ended 31 March

	Group		Company	
	2023 LKR	Re-Presented 2022 LKR	2023 LKR	2022 LKR
As at 1 April	2,877,116,964	2,255,851,796	2,696,023,075	2,192,543,511
Additions	251,899,577	1,073,209,264	233,732,114	917,077,526
Lease Modifications	(458,620,080)	166,323,328	(458,620,080)	166,323,328
Accretion of interest	358,913,597	223,279,653	341,505,097	209,735,876
Payments	(991,928,349)	(841,547,077)	941,380,847	(789,657,166)
Disposal group Held for Sale	-	-	-	-
As at 31 March	2,037,381,709	2,877,116,964	1,871,259,359	2,696,023,075
Current	546,490,418	651,654,621	515,444,103	619,135,867
Non - Current	1,490,891,291	2,225,462,343	1,355,815,256	2,076,887,208
Total lease liability as at 31 March	2,037,381,709	2,877,116,964	1,871,259,359	2,696,023,075

29. LEASES (Contd....)

The maturity analysis of gross lease liabilities as at 31 March

	Group		Company	
	2023 LKR	Re-Represented 2022 LKR	2023 LKR	2022 LKR
Within 01 Year	705,654,582	936,917,049	674,608,267	904,398,295
01 to 05 Years	1,642,321,225	2,015,732,493	1,517,001,784	1,884,925,382
More Than 05 Years	225,930,664	677,023,810	216,174,070	659,255,786
Total	2,573,906,471	3,629,673,352	2,407,784,121	3,448,579,463

Following are the amounts recognised in profit or loss for the year ended 31 March

	Group		Company	
	2023 LKR	Re-Represented 2022 LKR	2023 LKR	2022 LKR
Depreciation of right-of-use assets	736,036,894	743,297,963	692,064,623	699,800,641
Interest expense on lease liabilities	358,913,597	223,279,653	341,505,097	209,735,876
Expense relating to short-term leases (included in Administrative Expenses)	200,000	-	200,000	-
Variable lease payments (included in Administrative Expenses)	13,475,532	-	13,475,532	-
Total amount recognised in profit or loss	1,108,626,023	966,577,616	1,047,245,252	909,536,517

The following provides information on the variable lease payments, including the magnitude in relation to fixed payments:

Group	Fixed Payments		Variable Payments		Total	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Rent Payments	992,128,349	841,547,077	13,475,532	-	1,005,603,881	841,547,077
	992,128,349	841,547,077	13,475,532	-	1,005,603,881	841,547,077
Company						
Rent Payments	941,580,847	789,657,166	13,475,532	-	955,056,379	789,657,166
	941,580,847	789,657,166	13,475,532	-	955,056,379	789,657,166

Sensitivity of Right-of use Assets /Lease Liability to Discount Rate -2023

	Group		Company	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
ROU Assets as at 31 March 2023	1,406,810,572	1,467,771,954	1,406,926,090	1,467,656,436
Lease Liability as at 31 March 2023	1,838,582,026	1,904,809,379	1,838,697,544	1,904,693,861
Impact to Profit or Loss for the year ended 31 March 2023	2,837,636	(2,654,795)	2,724,406	(2,541,565)

Sensitivity of Right-of use Assets /Lease Liability to Discount Rate -2022

ROU Assets as at 31 March 2022	2,113,228,400	2,164,776,297	2,113,228,400	2,164,776,297
Lease Liability as at 31 March 2022	2,674,412,793	2,717,992,388	2,674,412,793	2,717,992,388
Impact to Profit or Loss for the year ended 31 March 2022	(3,780,640)	4,018,281	(3,780,640)	4,018,281

29.2 Group as a lessor

Group/Company

The Group has entered into operating leases on its investment property portfolio consisting of certain Lands & office buildings (see Note 9). These leases have lease terms of 2 years.

Rental income recognised by the Group/Company during the year is Rs. 2,787,480/- (2022: Rs 2,787,480/-).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows

	2023 LKR	2022 LKR
Within one year	2,787,480	2,787,480
After one year but not more than five years	-	-
Total	2,787,480	2,787,480

30 COMMITMENTS AND CONTINGENCIES

There were no material Commitments and Contingencies as at the reporting date except followings.

30.1 Financial Contingencies

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Letters of Credit opened with Banks Favoring Suppliers	14,544,175	4,498,934,671	14,544,175	4,000,284,671
Guarantees Issued by Banks	2,922,848,623	1,743,848,597	2,876,820,587	1,743,848,597

30.2 Tax Contingencies

Abans PLC - Company

Income tax assessment relating to year of assessment 2017/18

1. Commissioner General of Inland Revenue (CGIR) has issued assessment notices on Abans PLC pertaining to an additional income tax of Rs. 711,504,154/- for the year of assessment 2017/18. The company has appealed to the CGIR against the assessment issued.
2. CGIR has issued assessment notices on Abans PLC pertaining to VAT for periods between January 2014 to March 2014 amounting to Rs. 287,756,061/-. The Company has appealed to the Tax Appeal Commission against the determination made by the CGIR.

Based on the advice of tax consultants, the management of the company is of the opinion that there is no basis for above assessments. Hence, no provision has been made in the Financial Statements as at 31 March 2022 with respect to above assessments.

30.3 Litigations

There were no material litigations against the Group as at reporting date which require adjustments to or disclosure in the financial statements.

30.4 Commitments

There were no significant capital commitments which have been approved or contracted for by the Company/Subsidiaries as at reporting date except for following

31 RELATED PARTY DISCLOSURES

The Company Carried out Transactions in the Ordinary Course of its Business with Parties who are defined as Related Parties as Per Sri Lanka Accounting Standards LKAS-24 on "Related Party Disclosures". The Details of which are Reported Bellow,

31.1 Transaction with /between Immediate Parent - Abans Retail Holdings (Private) Limited

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Balance as at 01 April	394,185,017	52,060,000	394,185,017	52,060,000
Rendering of Services	10,606,453	12,448,967	10,606,453	12,448,967
Dividend Paid	1,377,208,862	159,985,700	1,377,208,862	159,985,700
Payments Received for Services	68,362,379	329,676,050	68,362,379	329,676,050
Dividend Declared	(1,710,404,554)	(159,985,700)	(1,710,404,554)	(159,985,700)
Balance as at 31 March	139,958,157	394,185,017	139,958,157	394,185,017

NOTES TO THE FINANCIAL STATEMENT

31. RELATED PARTY DISCLOSURES (Contd...)

31.2 Transaction with/ between Subsidiaries

	2023 LKR	2022 LKR
Balance as at 01 April	124,999,992	91,601,421
Nature of Transaction		
Sale of goods	81,648,185	2,064,226
Purchase of Goods	(554,561,288)	(91,517,160)
Rendering of Services	26,077,761	33,139,015
Fund collected on behalf of Abans Finance PLC	(2,236,364)	(152,737)
Investment in AB Manufacturing	(25,000,000)	(75,000,010)
Balance Transferred to other	94,558,439	
Net Payments for Purchase of Goods and Receipts of Services	647,527,904	197,716,625
Others	(60,866,001)	(32,851,389)
Balance as at 31 March	332,148,628	124,999,992

* Subsidiaries including Abans Finance PLC, AB Manufacturing (Pvt) Ltd & AB Sun City (Pvt) Ltd.

31.3 Transaction with /between Associate -Abans Electricals PLC & Colombo City Centre Partners (Private) Limited

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Balance as at 01 April	(518,257,490)	(362,826,524)	(518,257,490)	(362,826,524)
Nature of Transaction				
Sale of goods	33,167,201	6,099,966	33,167,201	6,099,966
Purchase of Goods	(1,660,617,104)	(2,176,707,387)	(1,660,617,104)	(2,176,707,387)
Receipt of Services	(835,564,200)	(954,203,236)	(835,564,200)	(954,203,236)
Rendering of Services	16,035,928	16,135,017	16,035,928	16,135,017
Rent Expenses	(69,088,022)	(56,207,024)	(69,088,022)	(56,207,024)
Net Payments for Purchase of Goods and Receipts of Services	3,059,029,617	3,253,332,118	3,059,029,617	3,253,332,118
Colombo City Centre Balance Transferred to Other		2,823,557		2,823,557
VAT Portion of Purchase of Goods	(305,790,434)	(246,703,977)	(305,790,434)	(246,703,977)
Balance as at 31 March	(281,084,504)	(518,257,490)	(281,084,504)	(518,257,490)

31.4 Transaction with Others

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Balance as at 01 April	4,073,231,817	1,000,087,945	4,111,281,333	1,105,735,126
Nature of Transaction				
Sale of goods	17,772,516	12,943,391	17,772,516	12,943,391
Purchase of Goods	(560,486,714)	(2,759,836)	(120,231)	(2,759,836)
Balance Transferred from Subsidiaries	(2,751,680,000)	-	(2,751,680,000)	91,315,824
Share Disposal to Abans Land (Pvt) Ltd		2,751,680,000		2,751,680,000
Rendering of Services	178,713,246	61,365,064	178,713,246	61,365,064
Receipts of Services	(2,497,824,586)	(2,960,133,957)	(2,497,824,586)	(2,960,133,957)
Rent Expenses	(98,866,575)	(108,251,619)	(98,866,575)	(108,251,619)
Net Payments for Purchase of Goods and Receipts of Services	2,283,531,284	3,537,846,767	2,369,014,860	3,382,674,187
Other	(325,498,673)	(219,545,938)	(318,549,713)	(223,286,846)
Balance as at 31 March	318,892,315	4,073,231,817	1,009,740,852	4,111,281,333

* Other related parties including

Abans Office Automation (Pvt) Ltd, Abans Warehousing (Pvt) Ltd, ABS Gardner Dixon Hall International (Pvt) Ltd, Abans Investments (Pvt) Ltd, Crown City Developers (Pvt) Ltd, Abans Environmental Services (Pvt) Ltd, AB Leisure (Pvt) Ltd, Abans Constructions & Engineering (Pvt) Ltd, Cleantech (Pvt) Ltd, Abans Tourist Hotels (Pvt) Ltd, Abans Development (Pvt) Ltd, Abans Consolidated (Pvt) Ltd, A-Z Electronics (Pvt) Ltd, Sirius Technologies Services (Pvt) Ltd, A-Z Lanka (Pvt) Ltd, Abans Restaurant Systems (Pvt) Ltd, AB securities(Pvt) Ltd, AB Electricals (Pvt) Ltd, Aban Pestonjee Trust, Abans Courier (Pvt) Ltd., AB Logistics Ltd, Abans Auto (Pvt) Ltd, AB Transport (Pvt) Ltd, Abans Marketing (Pvt) Ltd, Absgro (Pvt) Ltd, Logirite (Pvt) Ltd, Abans Resorts (Pvt) Limited, Abstract Lanka (Pvt) Ltd, Abans International (Pvt) Ltd, Abans Logistic (Pvt) Ltd, Abans Partnership, Ironwood Investment Holding (Pvt) Ltd, Abans Engineering (Pvt) Ltd, Abans Lands (Pvt) Ltd and Abans Information System (Pvt) Ltd.

31. RELATED PARTY DISCLOSURES (Contd...)

31.5 Disclosures in relation to related party transactions in accordance with the continuing listing requirements of the Colombo Stock Exchange

Recurrent related party transactions

Nature of the transaction	Aggregate value of related party transactions entered into during the year	Aggregate value of related party transactions as % of Net revenue	Terms and conditions of the related party transaction
Rendering of Services	194,749,174	0.55%	Settlement on demand
Receipts of Services	(3,333,388,786)	-9.36%	Settlement on demand
Sale of goods	50,939,717	0.14%	Settlement on demand
Purchase of Goods	(2,221,103,818)	-6.24%	Settlement on demand
Rent Expenses	(167,954,596)	-0.47%	Settlement on demand
Fund Transfers	5,342,560,902	15.01%	Settlement on demand
Others	(325,498,673)	-0.91%	Settlement on demand
VAT Portion of Purchase of Goods	(305,790,434)	-0.86%	Settlement on demand

Non-recurrent related party transactions

Nature of the transaction	Aggregate value of related party transactions entered into during the year	Aggregate value of related party transactions as % of Equity	Aggregate value of related party transactions as % of Assets	Terms and conditions of the related party transaction
Dividend Paid	(1,710,404,554)	10.87%	4.15%	Board Resolution
Share Disposal to Abans Land (Pvt) Ltd	-	0.00%	0.00%	Board Resolution

31.6 Transactions with Key Management Personnel of the Company

The key management personnel include members of the Board of Directors of Abans PLC and its Subsidiary Companies including Abans Finance PLC

31.6.1 Key Management Personnel Compensation

The key management personnel include members of the Board of Directors of Abans PLC and its Subsidiary Companies including Abans Finance PLC

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Short-term employee benefits	91,372,173	82,755,308	62,048,130	62,008,130
Post-employment benefits	4,050,000	3,020,000	1,800,000	1,800,000
	95,422,173	85,775,308	63,848,130	63,808,130

31.6.2 Other Transactions with Key Management Personnel

Fixed Deposits accepted during the year	36,100,000	15,000,000	-	-
Fixed Deposits held at the end of the year	119,928,148	17,180,603	-	-
Consultancy Fee paid during the year	350,000	243,340	-	-
Rent paid for the properties leased out	27,879,600	27,879,600	27,879,600	27,879,600

32 Events Occurring After The Reporting Date

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date of the financial statements are authorised for issue. There are no events occurring after the reporting date which require adjustments to or disclosure in the financial statements as at 31 March 2023.

33. RE-PRESENTATION OF COMPARATIVES

The group had previously classified its subsidiary, Abans Finance PLC as a disposal group held for sale from 31 March 2021. However, the subsidiary no longer satisfied the criteria to be recognised as disposal group held for sale as of 31 March 2023 as set out in group's accounting policies described in note 2.3.24. Accordingly, the comparative financial information as of 31 March 2022 and 31 March 2021 was amended and re-presented.

Below Note 33.1 to 33.6 presents the impact of above representation of comparative information."

33.1	Impact on the Statement of Profit or Loss for the Year Ended 31st March 2022	Previously Reported LKR	Impact of Adjustment LKR	Re-Presented Amount LKR
Group				
Revenue		42,816,093,584	2,100,182,144	44,916,275,728
Cost of Sales		(31,420,694,817)	(553,100,913)	(31,973,795,730)
Gross Profit / (Loss)		11,395,398,767	1,547,081,231	12,942,479,998
Other Operating Income		217,850,845	21,840,132	239,690,977
Selling & Distribution Expenses		(4,326,634,689)	(89,151,194)	(4,415,785,883)
Administration Expenses		(3,635,632,804)	(724,270,278)	(4,359,903,082)
Finance Cost		(550,724,189)	(13,543,776)	(564,267,965)
Finance Income		85,792,004	-	85,792,004
Share of Results of Equity Accounted Investee (Net of Tax)		50,023,232	(64,843,315)	(14,820,083)
Value Added Tax on Financial Services		(7,195,603)	(124,703,277)	(131,898,880)
Income Tax Expense		(598,355,294)	(184,929,419)	(783,284,713)
Profit / (Loss) for the year from discontinued operations		1,096,170,051	(367,480,104)	728,689,947

33.2 Other Comprehensive Income

Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods :			
Revaluation Gain from Land and Buildings	-	-	-
Actuarial Gains/(Loss) on Employee Benefits Liabilities	24,211,188	2,380,293	26,591,481
Tax Effect on above	(5,810,685)	(571,270)	(6,381,955)
Net Other Comprehensive Income Year from Discontinued Operations	1,809,023	(1,809,023)	-

33.3 Impact on the Statement of Financial Position for the Year Ended 31st March 2022

Group			
Total Assets			
Property, Plant and Equipment	2,262,159,614	152,722,070	2,414,881,684
Investment Properties	199,800,000	-	199,800,000
Right of Use Assets	2,380,320,788	175,125,283	2,555,446,071
Intangible Assets	1,638,573	27,950,763	29,589,336
Investment in Equity Accounted Investee	844,128,901	-	844,128,901
Deferred Tax Assets	325,178,261	-	325,178,261
Other Non Current Financial Assets	15,000,000	291,283,375	306,283,375
Lease Rentals Receivable (Non-Current)	-	4,027,360,100	4,027,360,100
Loans and Advances (Non-Current)	-	345,080,945	345,080,945
Inventories	11,949,201,666	32,066,726	11,981,268,392
Trade and Other Receivables	10,230,763,563	221,799,949	10,452,563,512
Lease Rentals Receivable (Current)	-	2,972,398,795	2,972,398,795
Loans and Advances (Current)	-	711,040,243	711,040,243
Other Current Financial Assets	2,321,744,427	1,072,821,742	3,394,566,169
Securities Purchased under Repurchase Agreement	-	255,049,144	255,049,144
Cash and Short-Term Deposits	1,309,100,964	183,803,273	1,492,904,237
Assets held for Sale	10,470,029,735	(10,468,502,408)	1,527,327
	42,309,066,492	-	42,309,066,492
Total Equity & Liabilities			
Stated Capital	500,869,225	-	500,869,225
Other Components of Equity	639,360,133	347,573,105	986,933,238
Retained Earnings	11,663,859,983	-	11,663,859,983
Reserves of a disposal group held for sale	347,573,105	(347,573,105)	-
Non-Controlling Interests	1,216,340,256	-	1,216,340,256
Interest Bearing Borrowings (Non-Current)	2,607,166,658	485,508,308	3,092,674,966
Lease liabilities (Non-Current)	2,076,887,208	148,575,135	2,225,462,343
Deferred Tax Liabilities	73,149,617	13,298,360	86,447,977
Employee Benefits Liabilities	304,562,980	27,600,613	332,163,593
Warranty Provision	442,234,057	-	442,234,057
Trade and Other Payables	10,315,296,210	4,955,606,923	15,270,903,133
Income Tax Liabilities	326,358,973	175,080,455	501,439,428
Lease liabilities (Current)	619,135,867	32,518,754	651,654,621
Interest Bearing Borrowings (Current)	3,132,887,788	2,205,195,884	5,338,083,672
Liabilities directly associated with assets held for sale	8,043,384,432	(8,043,384,432)	-
	42,309,066,492	-	42,309,066,492

The above reclassification did not have any impact on other comprehensive income, statement of financial position, earnings per share, operating, investing and financing cash flows for the year ended 31 March 2022.

33.4

Impact on the Statement of Profit or Loss for the Year Ended 31st March 2022			
Group	Previously Reported LKR	Impact of Adjustment LKR	Re-Represented Amount LKR
Revenue	37,805,391,199	1,816,547,581	39,621,938,780
Cost of Sales	(27,878,664,567)	(666,257,556)	(28,544,922,123)
Gross Profit / (Loss)	9,926,726,632	1,150,290,026	11,077,016,658
Other Operating Income	173,930,113	24,510,242	198,440,355
Selling & Distribution Expenses	(4,015,404,932)	(56,610,866)	(4,072,015,798)
Administration Expenses	(2,974,204,274)	(584,617,723)	(3,558,821,997)
Finance Cost	(745,133,060)	(10,692,222)	(755,825,282)
Finance Income	49,009,154	-	49,009,154
Share of Results of Equity Accounted Investee (Net of Tax)	122,214,346	-	122,214,346
Value Added Tax on Financial Services	(9,690,296)	(95,713,451)	(105,403,747)
Income Tax Expense	(688,527,048)	(139,975,056)	(828,502,104)
Profit / (Loss) for the year from discontinued operations	133,941,463	(287,190,949)	(153,249,486)

33.5 Other Comprehensive Income

Revaluation Gain from Land and Buildings	141,340,186	32,834,584	174,174,770
Actuarial Gains/(Loss) on Employee Benefits Liabilities	(14,063,783)	(2,516,706)	(16,580,489)
Tax Effect on above	(11,746,667)	(1,958,331)	(13,704,998)
Net Other Comprehensive Income Year from Discontinued Operations	28,359,546	28,359,546)	-

33.6 Impact on the Statement of Financial Position for the Year Ended 31st March 2021

Group			
Total Assets			
Property, Plant and Equipment	1,455,581,294	146,041,714	1,601,623,008
Investment Properties	338,010,500	-	338,010,500
Right of Use Assets	1,899,244,138	62,490,871	1,961,735,009
Intangible Assets	7,470,214	33,866,419	41,336,633
Investment In Equity Accounted Investee	3,076,082,955	-	3,076,082,955
Deferred Tax Assets	262,364,347	9,815,140	272,179,487
Other Non - Current Financial Assets	15,000,000	80,400	15,080,400
Lease Rentals Receivable (Non-Current)	-	2,495,559,878	2,495,559,878
Loans and Advances (Non-Current)	-	412,946,182	412,946,182
Inventories	8,902,843,065	31,066,726	8,933,909,791
Trade and Other Receivables	5,851,560,792	202,582,923	6,054,143,715
Lease Rentals Receivable (Current)	-	3,531,574,071	3,531,574,071
Loans and Advances (Current)	-	913,111,895	913,111,895
Other Current Financial Assets	1,420,214,564	220,949,164	1,641,163,728
Securities Purchased under Repurchase Agreement	-	942,235,676	942,235,676
Cash and Short-Term Deposits	577,920,718	226,092,543	804,013,261
Assets held for Sale	9,228,413,602	(9,228,413,602)	-
	33,034,706,189	-	33,034,706,189
Total Equity & Liabilities			
Stated Capital	218,500,000	-	218,500,000
Other Components of Equity	639,360,133	261,511,347	900,871,480
Retained Earnings	8,613,288,309	-	8,613,288,309
Reserves of a disposal group held for sale	261,511,347	(261,511,347)	-
Non-Controlling Interests	1,001,373,172	-	1,001,373,172
Interest Bearing Borrowings (Non-Current)	1,164,400,000	728,556,708	1,892,956,708
Lease liabilities (Non-Current)	1,594,535,258	36,711,726	1,631,246,984
Deferred Tax Liabilities	66,307,821	-	66,307,821
Employee Benefits Liabilities	305,802,093	27,014,926	332,817,019
Warranty Provision	348,548,930	-	348,548,930
Trade and Other Payables	9,027,569,492	5,406,978,013	14,434,547,505
Income Tax Liabilities	349,317,200	147,245,447	496,562,647
Lease liabilities (Current)	598,008,253	26,596,559	624,604,812
Interest Bearing Borrowings (Current)	1,610,770,739	862,310,063	2,473,080,802
Liabilities directly associated with assets held for sale	7,235,413,442	(7,235,413,442)	-
	33,034,706,189	-	33,034,706,189

The above reclassification did not have any impact on other comprehensive income, statement of financial position, earnings per share, operating, investing and financing cash flows for the year ended 31 March 2021.



INVESTOR INFORMATION

1 STATED CAPITAL

Class of Shares	31st March 2023		31st March 2022	
	No. of Shares	LKR	No. of Shares	LKR
Ordinary Voting Shares	2,221,304,615	500,869,225	2,221,304,615	500,869,225
Class B Ordinary Management Non-Voting	-	-	-	-
Total Ordinary Shares (Voting & Non-Voting)	2,221,304,615	500,869,225	2,221,304,615	500,869,225

2 Stock Exchange Listing Issued Shares of the Company are not listed with the Colombo Stock Exchange of Sri Lanka. Only the Debentures (LKR 250 Million) of the Company are listed with Colombo Stock Exchange with effect from 27th December 2019.

3 DISTRIBUTION OF SHAREHOLDING

Total Ordinary Shares (Voting & Non-Voting)	31st March 2023			31st March 2022		
	No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%
1-1,000	-	-	-	-	-	-
1,001-10,000	-	-	-	-	-	-
over 1,000,000	1	2,221,304,615	100	1	2,221,304,615	100
Total	1	2,221,304,615	100	1	2,221,304,615	100

4 TWENTY LARGEST SHAREHOLDERS

Ordinary Voting Shares Class -A	Voting as at 31st March 2023		Voting as at 31st March 2022	
	No of Share	%	No of Share	%
Abans Retail Holdings (Private) Limited	2,221,304,615	100	2,221,304,615	100
	2,221,304,615	100	2,221,304,615	100

5 PUBLIC HOLDING

	2023	2022
Total number of shares Issued	2,221,304,615	2,221,304,615
No of Shares held by the Public	Nil	Nil
Percentage of Shares held by the Public	Nil	Nil

6 MARKET VALUE PER SHARE

Market value is not available since the shares of the company is not Publicly traded

7 NET ASSETS PER SHARE

	2023	2022
Group	7.08	6.47
Company	5.56	5.23

8 DEBT SECURITIES RELATED DETAILS

	Group		Company	
	2022	2022	2022	2022
Gearing Ratio	0.42	0.37	0.39	0.30
Quick Assets Ratio	0.84	0.87	0.73	0.94
Interest Coverage Ratio	2.46	7.81	2.36	6.64
Debt to Equity Ratio	0.73	0.59	0.65	0.43

9 INTEREST RATE OF COMPARABLE GOVERNMENT SECURITY

Debenture Issue 2019	Category
Abans PLC	5 Years
Government	12.50%
	9.87%

10 MARKET VALUE PER DEBENTURE

Debenture Issue 2019	5 Years
	LKR
Highest Price	N/T
Lowest Price	N/T
Last Traded Price	N/T

FIVE YEARS SUMMARY - STATEMENT OF FINANCIAL POSITION

As at 31 March	Group				
	2023 LKR	Re-Presented 2022 LKR	Re-Presented 2021 LKR	2020 LKR	2019 LKR
ASSETS					
Property, Plant and Equipment	3,644,358,852	2,414,881,684	1,601,623,008	1,314,896,935	1,374,930,571
Leasehold Land Payments	-	-	-	-	249,494,948
Investment Properties	209,900,000	199,800,000	338,010,500	461,000,000	411,295,700
Intangible Assets	23,591,848	29,599,336	41,336,633	47,417,467	60,161,321
Investments in Subsidiaries	-	-	-	-	-
Investment In Equity Accounted Investee	4,071,503,471	844,128,901	3,076,082,955	844,129,000	3,224,789,029
Right of Use Assets - Leasehold Properties	1,588,138,930	2,555,446,071	1,961,735,009	1,860,545,338	-
Deferred Tax Assets	516,250,775	325,780,261	272,179,487	296,110,025	205,795,592
Other Non - Current Financial Assets	23,693,735	306,283,375	15,080,400	15,080,400	15,080,400
Lease Rentals Receivable and Stock Out on Hire	806,229,797	4,027,360,1000	2,495,559,878	4,027,360,000	2,164,843,153
Loans and Advances	402,548,759	345,080,945	412,946,182	936,030,271	738,430,688
	11,286,216,167	11,047,748,673	10,214,554,052	10,793,379,742	8,444,821,402
Current Assets					
Inventories	11,927,304,791	11,981,268,392	8,933,909,791	7,601,581,458	8,483,307,868
Trade and Other Receivables	7,074,871,159	10,452,563,512	6,054,143,715	8,407,261,614	10,047,608,157
Lease Rentals Receivable	6,981,253,551	2,972,398,795	3,531,574,071	3,560,851,491	3,090,169,126
Loans and Advances	551,623,462	711,040,243	913,111,895	934,551,986	1,348,206,614
Income Tax Receivables	-	-	-	268,459,983	401,884,337
Other Current Financial Assets	1,691,004,659	3,394,566,169	1,641,163,728	434,257,742	490,103,100
Securities Purchased under Repurchase Agreement	271,331,939	255,049,144	942,235,676	279,143,141	281,537,224
Cash and Short - Term Deposits	1,401,635,274	1,492,904,237	804,013,261	1,303,771,796	685,625,260
	29,899,024,835	31,259,790,492	22,820,152,137	22,789,879,211	24,828,441,686
Assets held for Sale	-	1,527,327	-	-	-
Total Assets	41,185,241,002	42,309,066,492	33,034,706,189	33,583,258,953	33,273,263,088
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	500,869,225	500,869,225	218,500,000	218,500,000	218,500,000
Other Components of Equity	1,775,345,867	986,933,238	900,871,480	673,470,899	652,785,481
Retained Earnings	11,982,734,929	11,663,859,983	8,613,288,309	7,214,664,329	7,165,059,899
	14,258,950,021	13,151,662,446	9,732,659,789	8,106,635,228	8,036,345,380
Reserves of a disposal group held for sale	-	-	-	-	-
Equity Attributable to Equity Holders of the Parent	14,258,950,021	13,151,662,446	9,732,659,789	8,106,635,228	8,036,345,380
Non - Controlling Interests	1,476,981,333	1,216,340,256	1,001,373,172	896,175,032	844,269,817
Total Equity	15,735,931,354	14,368,002,702	10,734,032,961	9,002,810,260	8,880,615,197
Non - Current Liabilities					
Interest Bearing Borrowings	2,076,904,749	3,092,674,966	1,892,956,708	1,622,636,667	2,858,832,738
Lease liabilities	1,490,891,291	2,225,462,343	1,631,246,984	1,195,970,867	-
Deferred Tax Liabilities	92,570,706	86,447,977	66,307,821	50,027,798	44,981,468
Employee Benefits Liabilities	346,939,447	332,163,593	332,817,019	275,826,149	268,076,957
Trade and Other Payables	-	-	-	1,099,094,047	0
Total Non - Current Liabilities	4,007,306,193	5,736,748,879	3,923,328,532	4,038,133,332	4,270,985,210
Current Liabilities					
Warranty Provision	275,690,667	442,234,057	348,548,930	255,039,076	301,323,250
Trade and Other Payables	10,320,656,912	15,270,903,133	14,434,547,505	9,569,415,185	9,985,769,432
Income Tax Liabilities	831,026,720	501,439,428	496,562,647	47,853,948	8,822,247
Lease liabilities	546,490,418	651,654,621	624,604,812	915,158,234	-
Interest Bearing Borrowings	9,468,138,738	5,338,083,672	2,473,080,802	9,754,848,918	9,825,747,752
Total Current Liabilities	21,442,003,455	22,204,314,911	18,377,344,696	20,542,315,361	20,121,662,681
Total Equity and Liabilities	41,185,241,002	42,295,766,492	33,034,706,189	33,583,258,953	33,273,263,088

Company				
2023 LKR	2022 LKR	2021 LKR	2020 LKR	2019 LKR
1,338,874,847	1,285,276,956	1,455,581,294	1,187,236,005	1,232,284,592
-	-	-	-	249,494,948
209,900,000	199,800,000	338,010,500	461,000,000	411,295,700
464,893	1,638,573	7,470,214	18,069,265	27,389,805
3,323,689,002	436,144,346	3,112,824,336	3,218,824,336	3,218,824,336
78,212,351	78,212,351	78,212,351	30,752,197	30,752,197
1,436,763,499	2,380,320,788	1,899,244,138	1,779,295,005	-
496,211,081	325,178,261	262,364,347	267,530,039	186,522,004
15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
-	-	-	-	-
-	-	-	-	-
6,899,115,673	4,721,571,275	7,168,707,180	6,977,706,847	5,371,563,582
11,535,651,696	11,945,887,245	8,902,843,065	7,561,868,842	8,430,497,092
6,998,231,953	10,245,581,953	5,944,121,964	8,232,407,631	9,783,319,788
-	-	-	-	-
-	-	-	-	-
-	-	-	203,219,297	336,644,172
754,317,364	2,321,744,427	1,420,214,564	4,482,445	4,529,744
-	-	-	-	-
1,013,807,265	1,308,600,954	571,200,865	1,136,369,151	417,580,012
20,302,008,276	25,821,814,579	16,838,380,458	17,138,347,366	18,972,570,808
-	1,527,327	-	-	-
27,201,123,951	30,544,913,181	24,007,087,638	24,116,054,213	24,344,134,390
500,869,225	500,869,225	218,500,000	218,500,000	218,500,000
463,417,223	464,612,254	464,612,254	338,394,043	338,394,043
11,394,963,173	10,642,226,434	8,429,809,895	5,730,278,834	5,691,400,413
12,359,249,621	11,607,707,913	9,112,922,149	6,287,172,877	6,248,294,456
-	-	-	-	-
12,359,249,621	11,607,707,913	9,112,922,149	6,287,172,877	6,248,294,456
-	-	-	-	-
12,359,249,621	11,607,707,913	9,112,922,149	6,287,172,877	6,248,294,456
1,108,166,654	1,842,166,658	1,164,400,000	1,378,520,000	2,465,700,000
1,355,815,256	2,076,887,208	1,594,535,258	1,153,156,365	-
-	-	-	-	-
299,251,718	304,562,980	305,802,093	256,391,000	229,563,633
-	-	-	-	-
2,763,233,628	4,223,616,846	3,064,737,351	2,788,067,365	2,695,263,633
275,690,668	442,234,058	348,548,931	254,243,094	300,527,268
3,712,396,532	10,212,316,893	8,922,784,939	5,369,675,578	5,813,802,406
616,113,360	326,358,973	349,315,276	-	-
515,444,103	619,135,867	598,008,253	877,439,759	-
6,958,996,039	3,113,542,631	1,610,770,739	8,539,455,540	9,286,246,627
12,078,640,702	14,713,588,422	11,829,428,138	15,040,813,971	15,400,576,301
27,201,123,951	30,544,913,181	24,007,087,638	24,116,054,213	24,344,134,390

FIVE YEARS SUMMARY - STATEMENT OF PROFIT OR LOSS

Year Ended 31 March	Group				
	2023 LKR	Re-Presented 2022 LKR	2021 LKR	2020 LKR	2019 LKR
Revenue	35,599,593,779	44,916,275,728	37,805,391,199	31,960,379,613	35,260,655,869
Cost of Sales	(20,827,693,611)	(31,973,795,730)	(27,878,664,567)	(22,699,209,110)	(24,663,692,004)
Gross Profit	14,771,900,168	12,942,479,998	9,926,726,632	9,261,170,503	10,596,963,865
Other Operating Income & Gain	186,300,329	239,690,977	173,930,113	251,619,160	944,560,358
Selling & Distribution Expenses	(4,033,778,873)	(4,415,785,833)	(4,015,404,932)	(4,104,606,530)	(4,909,179,144)
Administrative Expenses	(5,441,754,709)	(4,359,903,082)	(2,974,204,274)	(3,132,002,382)	(3,960,875,507)
Operating Profit	5,482,666,915	4,406,482,010	3,111,047,539	2,276,180,751	2,671,469,572
Finance Cost	(2,226,312,591)	(564,264,965)	(745,133,060)	(1,467,442,057)	(1,458,371,720)
Finance income	409,617,281	85,792,004	49,009,154	15,289,681	27,947,369
Change in Fair Value of Investment Properties	10,100,000	43,347,613	12,819,088	49,704,300	42,812,300
Share of Profit of Equity Accounted Investee (Net of Tax)	826,188,298	(14,820,083)	122,214,346	(5,925,918)	(70,385,763)
Profit/(Loss) Before Income Tax and Value Added					
Tax on Financial Services	4,502,259,903	3,956,533,579	2,549,957,067	867,806,757	1,213,471,758
Value Added Tax on Financial Services	(153,698,847)	(131,898,880)	(9,690,296)	(18,603,252)	(77,948,458)
Profit Before Income Tax					
Income Tax Expense	(858,685,176)	(783,284,713)	(688,527,048)	(397,729,759)	(212,283,926)
Profit / (Loss) for the year from continuing operations	3,489,875,880	3,041,349,986	1,851,739,723	451,473,746	923,239,374
Discontinued Operations :					
Profit for the year from discontinued operations	-	728,689,947	133,941,463	103,287,635	(18,223,987)
Profit for the year/ Comprehensive Income for the year, net tax	3,489,875,880	3,770,039,933	1,985,681,186	554,761,381	905,015,387
Profit/(Loss) attributable to;					
Equity holders of the parent	3,313,125,772	3,553,483,256	1,841,267,407	502,770,936	893,929,641
Non-Controlling Interest	176,750,108	216,556,677	144,413,779	51,990,445	11,085,746
	3,489,875,880	3,770,039,933	1,985,681,186	554,761,381	905,015,387
Earnings Per Share -Basic	1.57	1.37	0.83	0.23	0.40

Company					
	2023 LKR	2022 LKR	2021 LKR	2020 LKR	2019 LKR
	32,629,450,511	42,818,157,810	37,809,532,938	31,960,878,935	33,291,479,651
	(19,556,344,119)	(31,420,694,817)	(27,878,354,219)	(22,689,728,637)	(23,782,151,253)
	13,073,106,392	11,397,462,993	9,931,178,719	9,271,150,298	9,509,328,398
	175,071,083	220,438,845	264,138,062	254,904,045	777,555,102
	(3,872,656,136)	(4,326,634,689)	(4,018,224,007)	(4,109,820,496)	(4,749,884,515)
	(4,652,960,011)	(3,634,602,515)	(2,974,482,576)	(3,127,057,783)	(3,162,658,028)
	4,722,561,328	3,656,664,634	3,202,610,198	2,289,176,064	2,374,340,957
	(1,997,646,121)	(550,724,189)	(745,133,060)	(1,467,442,057)	(1,458,371,720)
	409,617,281	85,792,004	49,009,154	15,334,913	28,520,194
	10,100,000	43,347,613	12,819,088	49,704,300	42,812,300
	-	-	-	-	-
	3,144,632,488	3,235,080,062	2,519,305,380	886,773,220	987,301,731
	(4,432,103)	(7,195,603)	(9,690,296)	(18,269,380)	(7,501,184)
	(702,175,115)	(591,513,498)	(672,247,025)	(392,683,426)	(105,621,010)
	2,438,025,270	2,636,370,961	1,837,368,059	475,820,414	874,179,537
	-	-	-	-	-
	2,438,025,270	2,636,370,961	1,837,368,059	475,820,414	874,179,537
	2,438,025,270	2,636,370,961	1,837,368,059	475,820,414	874,179,537
	-	-	-	-	-
	2,438,025,270	2,636,370,961	1,837,368,059	475,820,414	874,179,537
	1.1	1.19	0.83	0.21	0.39

Real Estate Portfolio

Location	Extent	Number	Range of Estimate for Unobservable Inputs	Valued in 31/03/2023 Valuation
			LKR	LKR
Freehold Property at Rathmalana (Investment Property)				
Land	14.9 P	01	1,450,000	21,605,000
Building	5,162 sq.ft	01	2,691	13,895,000
Freehold Property at Liberty Plaza		01		
Shopping Block at Liberty Plaza Colombo	435 sq.ft	01	260	19,000,000
			30.00%	
Freehold Property at Kandy				
Land	11.094 P	01	14,500,000	160,893,000
Building	4,415 sq.ft	01	4,000	17,660,000
Freehold Property at Kalutara				
Land	24.46 P	01	1,165,372	28,505,000
Building	9,403 sq.ft	01	3,800	35,731,400
Freehold Property at Gampaha				
Land	17.52 P	01	3,850,000	67,452,000
Building	833 sq.ft	01	2,200	3,630,000
Freehold Property at Kurunegala				
Land	50 P	01	2,403,000	120,150,000
Building	4,300 sq.ft	01	829	3,564,000
Freehold Property at Rajagiriya				
Land	22 P	01	3,000,000	66,000,000
Building	3,687 sq.ft	01	1,800	6,636,600
Freehold Property at Wellawatta (Investment Property)				
Land	25.65 P	01	6,799,220	174,400,000
Freehold Property at Rathmalana				
Land	15.00 P	01	1,250,000	18,750,000
Building	3,157 sq.ft	01	3,800	11,996,600
Freehold Property at Rathmalana				
Land	17.1 P	01	1,250,000	21,375,000
Building	3,690 sq.ft	01	3,600	13,284,000
Freehold Property at Nawala Road, Nugegoda				
Land	17.45 P	01	6,582,321	114,512,500
Building	4,925 sq.ft	01	6,600	32,505,000

Glossary

ACCOUNTING POLICIES

Specific principles, bases and procedures adopted by an organization in preparation and presentation of financial statements.

ACCOUNTS PAYABLE

A record of all short-term (less than 12 months) invoices, bills and other liabilities yet to be paid.

ACCOUNTS RECEIVABLE

A record of all short-term (less than 12 months) expected payments from customers, who have already received the goods/services but are yet to pay. These types of customers are called debtors and are generally invoiced by a business.

ACCRUAL ACCOUNTING

An accounting system that records transactions at the time they occur, whether the payment is made now or in the future.

ACCIDENT

An unexpected and unplanned occurrence, including acts of violence, arising out of or in connection with work which results in one or more workers incurring a personal injury, disease or death. As occupational accidents are to be considered travel, transport or road traffic accidents in which workers are injured and which arise out of or in the course of work, i.e. while engaged in economic activity, at work, or carrying on the business of the employer.

AMORTISATION

The process of expensing for intangible assets such as goodwill and intellectual property over a period of time.

AVAILABLE-FOR-SALE

All assets not in any of the 3 categories namely held to maturity, fair value through profit/loss and receivables. It is a residual category and does not mean that the entity stands ready for sale all this time.

AWPLR

Average Weighted Prime Lending Rate.

BENCHMARK

A set of conditions against which a product or business is measured.

BORROWINGS

All interest-bearing liabilities such as Overdraft, Bank Loans, etc.

BRAINSTORMING

Group creativity technique by which efforts are made to find a conclusion for a specific problem by gathering a list of ideas spontaneously contributed by its members.

CAPITAL

Wealth in the form of money or property owned by a business.

CASH EQUIVALENT

Liquid investment which is having a maturity of three months or less.

CASH FLOW

The measure of actual cash flowing in and out of a business.

COLLATERAL

(Also Known as Security), is property or assets that a lender can take possession of, in the event that a loan cannot be repaid.

COMPETITIVE ADVANTAGE

This is the attribute that allows an entity to outperform its competitors or gain superiority through its ability to provide the same value as competitors under lower costs or can charge higher prices by creating greater value through differentiation.

CONTINGENT LIABILITY

A liability that only needs to be paid if a particular event or circumstance occurs.

CURRENT RATIO

Current assets divided by Current Liabilities. This measures the ability of a business to repay Current Liabilities with its Current Assets.

DEFERRED TAX

A liability that results from income that has already been earned for accounting purposes but not for tax purposes.

DISPOSABLE INCOME

Also known as disposable personal income (DPI) is the amount of money that households have available for spending and saving after income taxes have been accounted for.

EARNINGS PER SHARE

Profits distributable to Ordinary shareholders divided by the weighted average number of ordinary shares in issue.

ECO-FRIENDLY

Not harmful to the environment.

EFFECTIVE TAX RATE

The average rate at which an individual or corporation is taxed.

EQUITY

The value of ownership interest in the business, calculated by deducting liabilities from assets. owner's interest in the company's Assets, also known as Net Assets.

ERP SYSTEM

Enterprise Resource Planning is business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back-office functions related to technology, services and human resources.

FACTORING

(Also known as debtors finance and accounts receivable finance) - is when a Factor company buys a business' outstanding invoices at a discount. The Factor company then chases up the debtors. Factoring is a way to get quick access to cash but can be quite expensive compared to traditional financing options.

FAIR VALUE

Fair value is the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction.

FISCAL POLICY

This is the Government spending and Taxation that influence the economy.

GEARING RATIO

Proportion of a Company's borrowed funds to its Equity.

GROSS PROFIT

The difference between sales and the direct cost of making the sales.

GUARANTOR

A person who promises to pay a loan in the event the borrower cannot meet the repayments. The guarantor is legally responsible for the debt.

HELD-TO-MATURITY

Assets acquired by the entity with the intention of holding till maturity.

HIRE-PURCHASE

A type of finance contract where a good is purchased through an initial deposit and then rented while the good is paid off in installments plus interest charges. Once the good is fully paid for, the ownership of the good transfers to the purchaser.

IMPAIRMENT

This occurs when the recoverable amount of an asset is less than its carrying value.

INCIDENT

The occurrence of an event that interrupts the completion of an activity. It may be a minor event or result of a crisis such as an accident.

INTANGIBLE ASSETS

Non-physical assets with no fixed value, such as goodwill and intellectual property rights.

NASDAQ

An American Stock Exchange.

NET PROFIT

(Also known as bottom line) is the total gross profit minus all business expenses.

NICHE OPPORTUNITIES

Opportunities arise which focus on the need for a product or service that has not been addressed by mainstream producers or try to satisfy a specific market need.

NON-CONTROLLING INTEREST

Equity in a subsidiary not attributable, directly or indirectly, to parent.

OCCUPATIONAL DISEASE

Any disease or disorder that occurs as a result of work or working conditions.

P/E RATIO

Price of a share divided by earnings of a share.

PLANT AND EQUIPMENT

A group of fixed assets used in the operation of a business such as furniture, machinery, fit-out, vehicles, computers and tools.

QUICK ASSETS RATIO

Measure's ability to meet its short-term obligations with its most liquid assets. $[(\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}]$

RELATED PARTIES

Parties who can control or significantly influence the financial and operating politics of the entity.

TURNOVER

The amount of money earned by a business in a particular period.

WORKING CAPITAL

The cash available to a business for day-to-day operation

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Notice of meeting

Notice is hereby given that the ANNUAL GENERAL MEETING of the Company in the year 2023 will be held on 25th August 2023 at 10.00 am as an on-line audio-visual meeting with arrangements for the on-line meeting platform made at the Head office of the Company, for the following purposes.

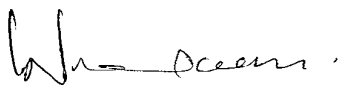
1. To receive and adopt the Annual Report of the Board of Directors for the financial year ended 31st March 2023 including Audited Financial Statements of the Company and the Auditors' report thereon.
2. To pass the following Ordinary Resolution pertaining to the re-appointment of Mrs. Aban Pestonjee, as a Director who is over 70 years of age, in compliance with Section 211 of the Companies Act No.7 of 2007; and whose reappointment is recommended by the Board of Directors.

Ordinary Resolution

That the age limit of 70 years referred to in Section 210 of the Companies Act, No.7 of 2007 shall not apply to Mrs. Aban Pestonjee, who is over 70 years of age and accordingly that Mrs. Aban Pestonjee be and is hereby reappointed as a Director of the Company in terms of Section 211 of the Companies Act No.7 of 2007.

3. To re-appoint M/s. Ernst & Young, Chartered Accountants, as the Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.

By order of the Board



Varners International (Pvt) Ltd.

Secretaries

Level 14, West Tower
World Trade Centre
Echelon Square
Colombo 01.

1. A shareholder entitled to attend, speak and vote at the above mentioned meeting is entitled to appoint a proxy to attend, speak and vote instead of him/her. Such proxy need not be a Shareholder of the Company.
2. A Form of Proxy is enclosed.

Form of proxy

I/We *
 being a member/members of Abans PLC, hereby appoint;

Ms. Aban Pestonjee	of Colombo or failing her
Ms. Saroshi Dubash	of Colombo or failing her
Mr. Rusi Pestonjee	of Colombo or failing him
Ms. D.A.R.C. Perera	of Colombo or failing her
Mr. Rajaratnam Selvaskandan	of Colombo or failing him
Mr. Dinesh Stephan Weerakkody	of Colombo or failing him

..... of
 (National Identity Card Number) as my/our* proxy to represent me/us* and to vote as indicated hereunder for me/us* and on my/our* behalf at the Annual General Meeting of the Company to be held on 25th August 2023 and at every poll which may be taken in consequence of the aforesaid meeting and any adjournment thereof.

	FOR	AGAINST
To receive and adopt the Annual Report of the Board of Directors for the financial year ended 31st March 2023 including Audited Financial Statements of the Company and the Auditors' report thereon.	☐	☐
To re-appoint Mrs. Aban Pestonjee who is over 70 years of age as a Director of the Company, by passing the ordinary resolution set out in the Notice of the Meeting	☐	☐
To re-appoint Messrs. Ernst & Young, Chartered Accountants, as the Auditors for the ensuing year and to authorize the Directors to determine their remuneration.	☐	☐

Signature:

Signed this day of 2023

Witness :

(*Please delete inappropriate words.)

INSTRUCTIONS ON COMPLETING FORM OF PROXY

1. Please perfect the Form of Proxy after filling in legibly your name and address and by signing in the space provided and inserting the date of signatures.
2. Please return the completed Form of Proxy to the office of the Secretaries, Varners International (Private) Limited at Level 14, West Tower, World Trade Centre, Echelon Square, Colombo 01 after crossing out one or the other of the alternate words indicated by asterisks on the body of the Form. The Form of Proxy shall be lodged with the Company Secretaries not less than forty-eight hours before the time appointed for holding the meeting.
3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if a Power of Attorney has not been already registered with the Company.
4. If the shareholder is a Company or a body corporate, the Form of Proxy should be under its Common Seal in accordance with its Articles of Association or Constitution.
5. If there is any doubt as to the manner in which the proxy should vote by reason of the manner in which instructions in 2 above have been carried out, the proxy holder will vote as she/he thinks fit.

Corporate Information

Company Name

Abans PLC

Legal Form

The Company was incorporated in Sri Lanka on 17th December 1981 as a Private Limited Liability Company under the provisions of the Companies Ordinance of 1938 and re-registered under the Companies Act No. 07 of 2007 as Abans (Pvt) Ltd. The Company changed its name in accordance with the provisions of Section 8 of the Companies Act No. 07 of 2007 to Abans Limited on 17th December 2012. Consequent to being listed on the Colombo Stock Exchange pursuant to its debenture issue, the Company name was changed to Abans PLC on 16th January 2014.

Registration Number

Old – PVS 8006

New – PV 5301 PB/PQ

Stock Exchange Listing

Debentures of the Company were listed on the Colombo Stock Exchange on 27th December 2019.

Registered Office

498, Galle Road, Colombo 03.

Website

www.abansgroup.com

Auditors

Ernst & Young Chartered Accountants, 201, De Saram Place, P.O. Box 101, Colombo 10.

Internal Auditors

Chief Internal Auditor, Abans Group of Companies, Abans PLC, 498, Galle Road, Colombo 03.

Secretaries

Varners International (Pvt) Ltd, Level 14, West Tower, World Trade Centre, Echelon Square, Colombo 01.

Lawyers

Varners, Level 14, West Tower, World Trade Centre, Echelon Square, Colombo 01.

Bankers

Amana Bank Ltd
Bank of Ceylon
Cargills Bank Ltd
Commercial Bank of Ceylon PLC Corporation Ltd. (HSBC)
DFCC Bank PLC
Habib Bank Limited
Hatton National Bank PLC
ICICI Bank Ltd
MCB Bank Ltd
National Development Bank PLC
Nations Trust Bank PLC
Pan Asia Banking Corporation PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
The Hongkong & Shanghai Banking
Union Bank of Colombo PLC

VAT Registered No.

104080065 - 7000

Taxpayer Identification Number

104080065

Board of Directors

Mrs. Aban Pestonjee - Chairperson/Executive Director

Mr. Behman Pestonjee - Managing Director until 17th June 2023

Dr. Saroshi Dubash - Executive Director

Mr. Rusi Pestonjee - Executive Director / Managing Director from 21st June 2023

Mrs. Chandrika Perera - Executive Director

Mr. Dinesh S. Weerakkody - Independent Non-Executive Director

Mr. R. Selvaskandan - Independent Non-Executive Director

Contact Number

+94 11577 5000

www.abansgroup.com