ABANS PLC
ANNUAL REPORT 2021/22

BUILDING AN EMPOWERED NATION TOGETHER

Abans

BUILDING AN EMPOWERED NATION

As the world continues to change and adapt to the new normal, Abans PLC is geared to achieve the next level of globalisation by charting a course that constantly evolves in parallel with the latest technological advancements, while building an empowered nation where the citizens of which would lead a life of ultimate comfort and convenience, facilitated by Abans.

Vision

To keep empowering people with a better way to life.

Mission

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 an even better tomorrow.

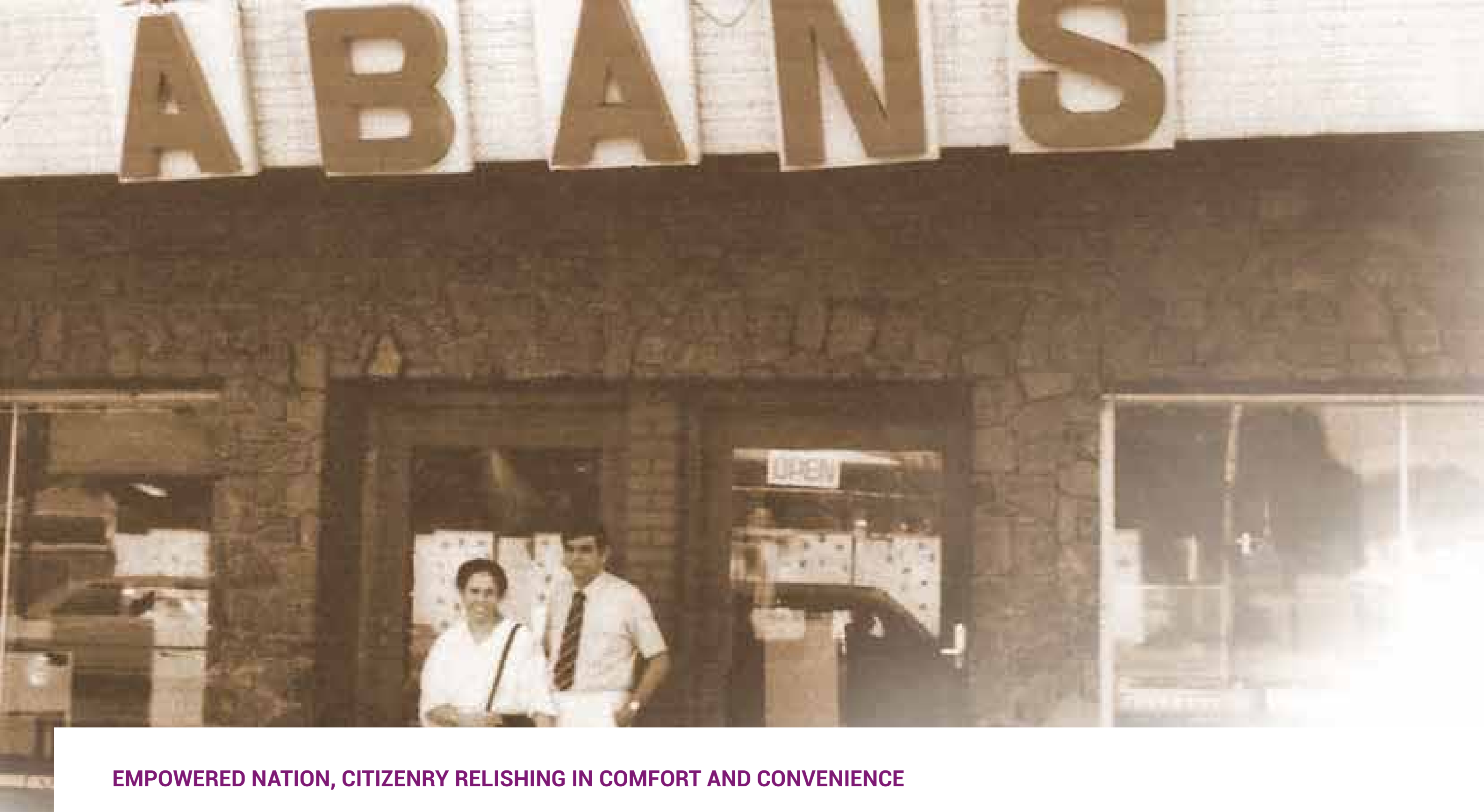
Values

Visionary
Seeing the bigger picture backed by entrepreneurial, risk-taker attitude but 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.

Contents



EMPOWERED NATION, CITIZENRY RELISHING IN COMFORT AND CONVENIENCE

As the world adjusts to the new normal, Abans is committed to 'Building an Empowered Nation' in a constantly evolving future driven by technological advancement. 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. A closed economy sans any imported goods in the late 1960s launched the entrepreneurial journey of Mrs. Aban Pestonjee. Fueled by empathy and foresight, this young housewife and mother of three understood the challenges faced by Sri Lankan homemakers. Driven by a strong passion to make a difference in the lives of Sri Lankans, she purchased appliances used by expatriates at embassy auctions and resold them at a reasonable price with a guarantee from her quaint little corner shop down Galle Road, Bambalapitiya. Keeping aside 2 appliances for spare parts, she expanded her aftersales services by opening a repair shop in her garage. This marked the nimble beginnings of the great Abans legacy. Today, nearly six decades later, we are cruising ahead with pride as we look back on the illustrious journey of our founder, peppered with many milestones.

As Sri Lanka's economy was liberalised, enabling the free flow of imports into the country, Abans made its foray into world-renowned brands. Representatives of international brands were impressed by the manner in which customers were serviced with aftersales services. Thus, Abans was successful in securing its first international brand – Electrolux. This paved the way for many world-class brands such as Hoover and Russell Hobbs to join hands with Abans. Abans was a pioneer in introducing Korean brands of household appliances to Sri Lanka, taking the lead in introducing Lucky Gold Star, now known as LG Electronics. Today, LG is one of the country's most popular home appliances and electronics brands. The business gained momentum with the improvement of the country's economy and increasing purchasing capacity. Abans came to be recognized as a one-stop shop for household appliances.

The 80s and 90s were a defining period for the Company. Civil war and economic uncertainty pervaded the period. However, Abans navigated itself with prowess with the strength of her children supporting the business. The first bold move was to establish a franchise with McDonald's restaurants. The second generation joining the business was a great impetus and source of strength that allowed it to diversify into other business ventures. Thus, the corner shop expanded its business into six business verticals of retail, services, finance, logistics, manufacturing, real estate and hospitality, growing into a large conglomerate leading to the inception of the Abans Group of Companies. The retail footprint of Abans expanded to 400 showrooms across the country. The end of the civil war stimulated optimism and the Abans Group was propelled by the dream of creating an integrated entertainment space for Sri Lankan families to spend quality time together. This prompted the Company to launch the ambitious 'Colombo City Centre', Sri Lanka's first international mall, which was inaugurated on September 19, 2018. Today, the waterfront 'Colombo City Centre' is an iconic landmark in Colombo. Looking back on this illustrious journey, founder Mrs. Aban Pestonjee has taken the lead, guided by strong values, to transform Abans Group towards 'Building an Empowered Nation'. The Group has been a transformative force in Sri Lankans' lives and has undoubtedly enriched the lifestyles of all Sri Lankans. The brand name Abans has won the hearts and minds of all Sri Lankans. Having flourished with a simple dream to augment the quality of life, the Group has since expanded to reach the depths of the hearts and minds of Sri Lankans with world-class convenience.

Ownership/Group Structure

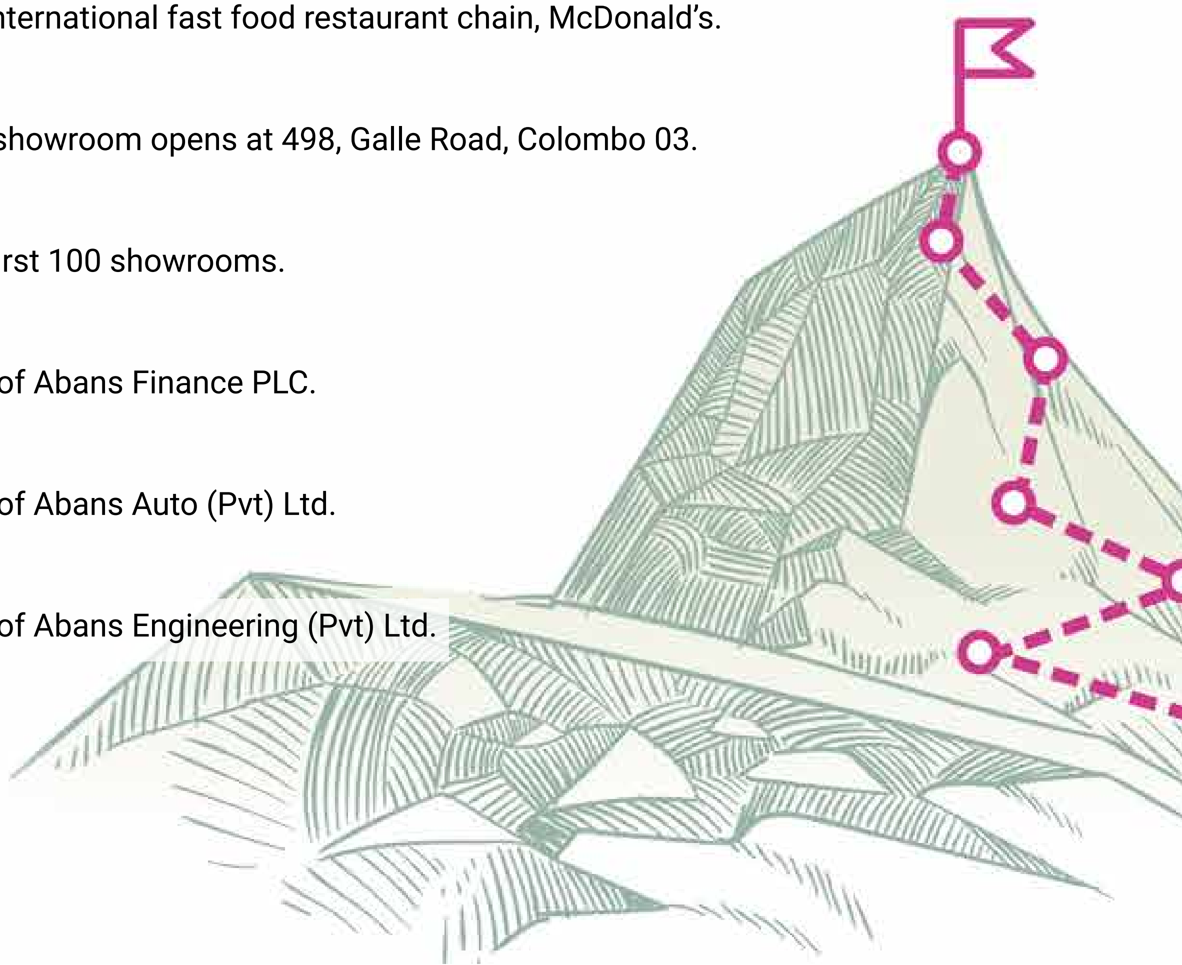
Abans Group

Abans PLC

- AB Manufacturing (Pvt) Ltd (100%)
- Abans Finance PLC (49.7%)
- Abans Electricals PLC (48%)

Abans Milestones

- **1968**
  Mrs. Aban Pestonjee opens her first corner store in Bambalapitiya.
- **1978**
  Abans ties up with 'Electrolux'.
- **1981**
  Incorporation of Abans Electricals (Pvt) Ltd. and Abans (Pvt) Ltd.
- **1987**
  Abans ties up with 'Gold Star'.
- **1995**
  Goldstar rebrands as LG, which Abans successfully introduces to SL market.
- **1998**
  Abans Restaurants Systems (Pvt) Ltd. - the first Sri Lankan retailer to franchise an international fast food restaurant chain, McDonald's.
- **1999**
  First flagship showroom opens at 498, Galle Road, Colombo 03.
- **2004**
  Milestone of first 100 showrooms.
- **2005**
  Incorporation of Abans Finance PLC.
- **2011**
  Incorporation of Abans Auto (Pvt) Ltd.
- **2013**
  Incorporation of Abans Engineering (Pvt) Ltd.



2014

Lists on the Colombo Stock Exchange changing the name to Abans PLC.

2015

Abans Group collaborates with Next Story Group to begin construction on BOI mixed-development project, Colombo City Centre.

2017

Abans PLC introduces Hugo Boss, a world-renowned luxury menswear brand, and moves into fashion retailing.

Abans becomes the Authorized Distributor for Apple products in Sri Lanka.

Abans enters the furniture market with 'Abans Homes In Style'.

2018

Abans' 50th anniversary, and opening of Colombo City Centre, Sri Lanka's first International Mall.

2019

Abans became the Authorized Reseller for Hyundai Motor Company in Sri Lanka.

Opened First Hyundai Showroom in Colombo City Centre, and opened Hyundai Service Centre in Peliyagoda.

2020

Abans became the sole agent for Under Armour Inc. in Sri Lanka and opened first showroom at Arcade Independence Square.

2022

Abans became the owner of MINISO franchise in Sri Lanka and currently operates 5 exclusive shops islandwide.

Opened new Elite showrooms in six locations islandwide.

FINANCIAL HIGHLIGHTS - GROUP

		2021/22	2020/21	Change %	2019/20
Earning Highlights					
Revenue	LKR'000	42,816,094	37,805,391	13.25%	31,960,380
Gross Profit	LKR'000	11,395,399	9,926,727	0.15%	9,261,171
Result From Operating Activities	LKR'000	3,650,982	3,111,048	17.36%	2,276,181
Profit Before Income Tax & VAT	LKR'000	3,279,421	2,549,957	28.61%	867,807
Profit After Tax	LKR'000	3,770,040	1,985,681	44.40%	554,761
Profit Attributable to Owners of the Parent	LKR'000	3,553,483	1,841,267	92.99%	502,771
Dividends	LKR'000	159,986	374,225	-57.25%	-
Gross Profit Margin	%	26.61	26.26	0.60%	30.63
Operating Profit Margin	%	8.53	8.23	3.62%	6.70
Net Profit Margin	%	6.25	4.90	27.50%	1.63
Earning per Share	LKR	1.20	0.83	44.40%	0.23
Return on Assets (ROA)	%	6.32	5.61	12.75%	1.65
Return on Capital Employed (ROCE)	%	18.16	23.03	-21.16%	11.17
Interest Cover	No. of times	6.63	4.18	58.78%	1.55

Financial Position Highlights					
Total Assets	LKR'000	42,309,066	33,034,706	28.07%	33,583,259
Total Borrowing	LKR'000	5,740,054	2,775,171	106.84%	11,377,486
Current Assets	LKR'000	25,810,811	16,752,539	54.07%	22,789,879
Current Liability	LKR'000	14,835,913	11,934,215	24.31%	20,542,315
Equity Attributable to Equity Holders of the Parents	LKR'000	12,804,089	9,471,148	35.19%	8,106,635
Total Equity	LKR'000	14,368,003	10,734,033	33.85%	9,002,810
Gearing	%	28.55	20.54	38.96%	55.83
Equity Asset Ratio	%	55.67	64.07	-13.12%	39.50
Net Assets per Share	LKR'000	5.76	4.26	35.19%	3.65
Current Ratio	No.of Time	1.74	1.40	23.94%	1.11
Quick Asset Ratio	No.of Time	0.93	0.66	42.05%	0.74

The ongoing challenges for our people, our Company and its stakeholders have been immense. The retail industry continues to be one of the most affected sectors, putting our staff and our customers under severe pressure, due to the prevailing restrictions on imports, as the country's foreign reserves contracted by a staggering 70% as of January 2022. Despite this, we have been able to rise to many challenges. While protecting our people, we have maintained supply for our customers, improved the profitability of our business, grown market share and have continued to make progress on our strategic objectives. This was to a great extent due to the unparalleled efforts of our people. I need to convey my sincere gratitude to each of our colleagues, and a special thanks to our team members who have kept on working day to day in our showrooms, manufacturing plants and on location with customers throughthe COVID-19 pandemic.

MESSAGE FROM THE CHAIRPERSON

Annual Report 2021/22

Dear Stakeholder,

I am pleased to present the Annual Report of Abans PLC for the financial year 2021/22 which provides an insight into the Group's strategies and performance. Despite the unprecedented economic environment due to the COVID-19 pandemic as well as the ongoing economic downturn of Sri Lanka, we have maintained our commitment to timely and transparent financial reporting.

The COVID-19 pandemic has caused Sri Lanka's economy to worsen during 2021 as a result of the largest lockdowns in history and widespread upheaval in economic activity and daily life. As of March 2022, nearly 16,500 people had died of the virus in Sri Lanka, bringing suffering and hardship to thousands more. Our thoughts remain with the people and families who have lost their loved ones.

The ongoing challenges for our people, our company and its stakeholders have been immense. The retail industry continues to be one of the most affected sectors, putting our staff and our customers under severe pressure, due to the prevailing restrictions on imports, as the country's foreign reserves contracted by a staggering 70% as of January 2022. Despite this, we have been able to rise above many challenges. While protecting our people, we have maintained supply for our customers, improved the profitability of our business, increased market share and have continued to make progress on our strategic objectives. This was to a great extent due to the unparalleled efforts of our people. I need to convey my sincere gratitude to each of our colleagues, and a special thanks to our team members who have kept working day after day in our showrooms, manufacturing plants and on location with customers through the COVID-19 pandemic.

While 2021 was a remarkably challenging year, it was also a period in which we discovered the full proportion of our solidarity, resilience as a Company and our ability to adjust and continue to improve.

The Board rapidly recognized its primary goal: ensuring the wellbeing of our staff, customers, partners, and communities in order to achieve the vision, central to Abans' existence, empowering and enabling a **'way to life'.**

A proactive approach to big challenges

The Sri Lankan economy recuperated in 2021, from the pandemic instigated contraction in 2020, yet with a few profoundly entrenched economic issues and vulnerabilities acquired during the previous few decades coming to the forefront, resulted in extraordinary socio-political strains in early 2022. The macroeconomic policy package unveiled by the Central Bank and the Government helped the economic recovery in 2021 from the historical contraction recorded in 2020, while also helping to cushion the impact of the pandemic on a broader segment of the stakeholders. Organizations of both public and private sectors enjoyed the comfort of low-cost funds for working capital and investment that helped them stay afloat during this difficult time and keep industries viable.

However, unprecedented policy responses taken during the peak of the pandemic together with the inability to withdraw the policy measures due to expected fiscal responses not adequately coming through, limited the space for reversal measures and led to some unintended effects on macroeconomic stability in 2021, which were further aggravated in early 2022. Further, due to the amplified pressure on the exchange rate amidst dried up liquidity in the domestic foreign exchange market in 2021 and early 2022, the government-imposed import restrictions on selected nonessential items and policy impetus were provided to the export and local manufacturing sectors in a bid to bolster foreign exchange income. Following the outbreak of the third and the worst wave of the pandemic during Q1-Q2 of FY 2021/22, the Government imposed lockdowns and restrictions on mobility, which in turn decelerated the escalation of infections. Consumer and investor sentiments improved in the ensuing months, and accordingly, the GDP of Sri Lanka grew by 1.8 percent year-on-year as of January 2022, reversing a 1.5 percent contraction in the previous three-month period, amid an easing of nationwide pandemic restrictions in October.

While the country's retail activity inevitably slowed in the first two quarters of 2021, a gradual recovery was witnessed towards the second half of the year, reflecting pent-up demand as well as improved sentiments in view of the accommodative monetary and fiscal policy stance. The pandemic also resulted in an unprecedented shift to digital platforms, with a new reliance on digital infrastructure and connectivity in facilitating education, work, and social interactions. Given heightened concerns on health and safety together with regulations on social distancing, customers also demonstrated increased demand for home appliances, placing higher value on attributes such as convenience and sophistication.

Abans' long-term success is linked to our ability to manage all our principal risks, including critical sustainability issues. I am pleased to report that we were once again, recognized as one of the "Top-most visible Brands Online" in Sri Lanka, along with BuyAbans.com which was also recognized as one of the Most Popular Online Shopping Sites in Sri Lanka for 2022 by the Asia Pacific Institute for Digital Marketing through their Digital Outlook for Sri Lanka 2022 report.

I am most proud to also report that Abans was crowned as the Most Loved and Best of the Best Brands in the Retail Electronics Category by Brand Finance. In addition to measuring overall brand value, Brand Finance also evaluates the relative strength of brands, based on factors such as marketing investment, customer familiarity, staff satisfaction, and corporate reputation. Alongside revenue forecasts, brand strength is a crucial driver of brand value. According to these criteria, Abans was ranked as one of the most valuable brands in the Sri Lankan top 20 list with a Brand Value of LKR 7.2 billion and a corresponding "AA" brand strength rating.

2021 Performance

Our 2021 performance demonstrates how far we have come in building operational agility and lasting margin resilience into the business and the actions we took were fully in line with the strategic growth pillars. Clearly, the COVID-19 pandemic and the economic recession of the country during the second half of the year had an impact on our performance. The biggest impact of the trading and movement restrictions imposed to reduce the spread of the COVID-19 pandemic during Q1-Q2 was the decrease in showroom sales all over the country. In the face of this, our teams showed the flexibility required to shift focus and energy towards our online sales channels including 'Buyabans' and other digital platforms quickly and provided the services required by our valued customers reaching across the island.

Accordingly, thanks to the focused prioritization of optimized market investments and the strong execution efforts of our people, we achieved a sales growth of 13% YoY with market share gains in the majority of our markets. The company recorded a turnover of Rs.42.8Bn compared to Rs.37.8Bn the previous year. As the company was strategically well prepared to face the unprecedented conditions that unveiled during 2021/22, costs were efficiently controlled to a level where we were able to close the year with a commendable performance. The Group recorded a Profit Before Tax and VAT amounting to Rs.3.2Bn against Rs.2.5Bn previous year and a Profit After Tax of Rs.3.7Bn against Rs.1.9Bn previous year inclusive of Profit from Discontinued Operations with a YoY growth of 90%. The Company recorded a Profit After Tax of Rs.2.6Bn compared to Rs.1.8Bn which amounted to a YoY growth of 43%.

Looking ahead

As we step on to FY2022/23, the direction of the Senior Management Team is to focus more time on the long-term strategic direction of the business and partnerships, while enabling Abans to drive business growth amidst the many challenges which are ahead of us. In 2021, we remained focused on ensuring the safety of our people, customers and communities as the COVID-19 pandemic continues. We will continue to adapt to capture the opportunities we see in 2022 and beyond. Our vision for Abans to be the leading retail partner through the empowerment of people with a 'better way to life', as well as the purpose and strategy underpinning it, have proven highly resilient, with the events of 2021 confirming the relevance of our plans. We firmly believe it provides the right path and sets the right milestones for the long-term success of our Company and its stakeholders.

Appreciation

I wish to extend my appreciation to all the customers who have shared our journey through the past five decades. All of us at Abans are grateful for the loyalty shown and for all the feedback and support you have extended which has helped us deliver better and improved products and services. Further, I wish to convey my sincere appreciation to the senior leadership team and extend my gratitude to the members of the Board; Behman Pestonjee, the Managing Director, and Executive Directors; Saroshi Dubash, Chandrika Perera and Non-Executive Directors; Rusi Pestonjee, Dinesh S. Weerakkody and R. Selvaskandan for their exemplary leadership in delivering exceptional results despite challenging market conditions and for their visionary guidance in terms of developing progressive strategies. I extend a warm thank you to our Abans family for tirelessly supporting the Board in executing the strategies to perfection, and for being part of the success of Abans. I am grateful to witness your great work ethic, commitment, and loyalty. Together, I hope we can drive Abans to new dimensions of growth.

I would also like to convey my sincere appreciation to all our business partners, mainly LG, whose support through the decades has been commendable. My hope is that the synergies of our business partnerships grow from strength to strength in the years ahead. I believe that together we can create a 'Better Way to Life' by continuing to improve the quality of life of our valued customers.

Sincerely,

Aban Pestonjee
Chairperson

17th June 2022

Managing Director's Review of Performance

2021/22

A critical driver of our growth is the accelerated development of our prioritized capabilities, which are increasingly proving to be our competitive advantage for building sustainable long-term growth. Talent development, Revenue Growth Management, Route to Market, and Big Data Advanced Analytics are now also complemented by the accelerated Digitalization of our Company. Targeted investment behind our Digital Commerce strategy, regarding both route to customer and route to consumer, is a key focus in this area. This is supported by an established and capable team that is driving an ambitious agenda. The Buyabans Portal which saw significant development over the last 18 months, allows our customers to order direct from us 24 hours a day, 7 days a week.

Dear Stakeholder,

As Sri Lanka was rebounding from the catastrophic COVID-19 pandemic, the political and economic instability which emerged during 2021/22, brought forth a new set of challenges which has affected the lives of all of us. Our overriding hope is for a fast and peaceful resolution.

This report looks back at 2021, a year that saw different challenges in the form of continued disruption due to the COVID-19 pandemic affecting communities and businesses across our territories during the early months, followed by an economic recession, mainly caused by Sri Lanka's deteriorating foreign reserves. Amidst all of this, Abans marked 53 years of empowering communities since its early beginnings in 1968. This milestone provided an opportunity to celebrate the legacy of our business and reflect on how we define our Company for today and tomorrow. The spirit of partnership, that has guided us for over 50 years, remains the cornerstone of our approach. It has enabled us to adapt and evolve our business with a strong belief and commitment to our investments that will fuel our future growth. Our people remain the catalysts, making our Company stronger and better every day. We rely on their talent and diversity to set us apart – because the real magic happens when we work together as one inclusive team. By harnessing the collective talent across our markets, we are confident that we will achieve the speed and progress that will enable us to lead and win in the long run.

Delivering a strong performance

We delivered a very strong performance in 2021/22, with all key metrics above pre-pandemic levels. This was the result of a consistent and disciplined focus on our strategic priorities over the last few years. We finished the year with a strong YoY revenue growth of 13%, an EBIT YoY growth of 14%, a PBT margin of 8%, a YoY PBT growth of 28% and free cash flow, while continuing to gain market share. This performance demonstrates the strength of our brand portfolio, revenue growth management capabilities, route to market and execution excellence in our markets. It is thanks to the strong drive, creativity, adaptability, and passion of our people, who enabled us to navigate the volatile operating environment while embracing change, challenge, and care, which are all central to our culture. Our results and future plans also reflect our partnerships with all our stakeholders, which remain stronger than ever.

Accelerating capabilities development

A critical driver of our growth is the accelerated development of our prioritized capabilities, which are increasingly proving to be our competitive advantage for building sustainable long-term growth. Talent development, Revenue Growth Management, Route to Market, and Big Data Advanced Analytics are now also complemented by the accelerated Digitalization of our Company. The targeted investment behind our Digital Commerce strategy, both on route to customer and consumer, is of key focus. This is supported by an established and capable team that is driving an ambitious agenda. The Buyabans Portal which saw significant development over the last 18 months, allows our customers to order direct from us 24 hours a day, 7 days a week.

New markets and brands

I am very pleased that during 2021 we completed a strategic transaction which is strengthening our growth potential and brand portfolio as Abans recently partnered with Japanese-inspired retail brand Miniso. Abans currently operates five exclusive Miniso showrooms, in major cities, at One Galle Face Mall, Colombo City Centre, Kandy City Centre, Union Place and Galle Road Colombo 3. Whereas an exclusive Miniso showroom will open for business in Boralesgamuwa in the near future. A plan to further expand the Miniso showroom network is in the pipeline. As a master franchisee of Sri Lanka, Abans hopes to appoint sub-franchisees islandwide to further develop Miniso business in Sri Lanka. Online retailing is a major driver of sales in any business venture. Consequently, we hope to boost Miniso sales by capitalizing on our robust e-commerce platform, Buyabans, which will feature Miniso products soon. This demonstrates very well our focus on strategic additions to our territories alongside relevant bolt-on additions to our portfolio. I am grateful for the trust placed in us by the shareholders, staff, and our communities even during challenging times and am very pleased by the potential of the business and its people.

Future Prospects

Our future efforts will be aimed at consolidating the strengths of the Abans brand while imbuing it with a fresh sense of optimism and the promise of future possibilities. In the coming months, the Abans brand will be strengthened further as we expand our locally manufactured products with the support of the state-of-the-art manufacturing plant – AB Manufacturing Pvt Ltd which is a fully owned subsidiary of Abans PLC while in parallel our primary focus on international brands will remain. Adding manufacturing capabilities to our business model, we are producing washing machines and deep freezers in Sri Lanka, and we are looking forward to increasing our portfolio of locally manufactured Home Appliances. 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. We continue to be the preferred destination for brands such as Apple and HP. These retailing rights have positioned Abans as one of the strongest retailers in the country and have dramatically increased our future revenue potential, while linking us directly to global cutting-edge technology evolutions. Abans will be expanding its product portfolio while expanding fashion, footwear, and cosmetic ranges further. We are continuously developing our Omni channel strategy for uniform online and offline operations. 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. Going ahead, brand building efforts will be focused on elevating the stature of the Group as a diversified conglomerate that nurtures some of the world's leading global brands to fulfil aspirations for a better lifestyle.

Acknowledgements

I would like to place on record my sincere gratitude to the management and staff of Abans PLC and our subsidiaries/associates, for their dedication and tireless efforts towards ensuring we were not majorly affected by the many external risks that abounded during the year. The Chairperson and fellow directors have been extremely supportive throughout the year. Further, I would like to thank customers and all other stakeholders including brand principals and dealers with whom we see a bright future ahead.

Sincerely,

Behman Pestonjee
Managing Director

17th June 2022

BOARD OF DIRECTORS

Aban Pestonjee
Chairperson

Behman Pestonjee (Tito)
Managing Director

Saroshi Dubash
Executive Director

Rusi Pestonjee
Executive Director

Chandrika Perera
Executive Director

Dinesh Weerakkody
Independent Non-Executive Director

Rajaratnam Selvaskandan
Independent Non-Executive Director

Board of Directors and Profiles

Aban Pestonjee
Chairperson

A resourceful and self-taught entrepreneur, Mrs. Aban Pestonjee exemplifies the Abans creed of "finding a need and fulfilling it". Her passion, drive and courage, especially as a South Asian woman in a male-dominated business world, have inspired successive generations of Sri Lankan business women. She has received local and international recognition for her achievements. These include the Award of Excellence for Women Achievers for Outstanding Achievements, presented by the SAARC Women's Association, Sri Lanka Chapter 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. She was awarded the KOTRA Plaque of Appreciation in 2005 for forging strategic foreign economic ties between Korea and Sri Lanka. In 2006, Mrs. Pestonjee received international recognition as the Leading Woman Entrepreneur of the World award, presented by the Princess of Thailand.

Mrs. Pestonjee has been interviewed by The Harvard Business School on the subject of "Creating Emerging Markets". The transcript of the interview is retained at the Harvard Business School's Baker Library, among their historical collections, and 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 Pestonjee (Tito)
Managing Director

Qualified as a Marine Engineer, Class 1 (D.O.T. London), Mr Behman Pestonjee has been involved with Abans PLC since its inception and has been instrumental in building the business. His dynamic leadership of the operations division has been a key driver of success. He oversees most of the critical functions of the organisation including sourcing, marketing and sales and manages important business partnerships. Under his able supervision, the Abans retail network has expanded from a single store to over 400 stores. He is an inspiring leader with a unique management style based on pragmatism and execution.

Mr. Behman Pestonjee 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, 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.

Saroshi Dubash
Director

Dr. Dubash holds a PhD in Philosophy, an MBA (USA) and an honours degree in chemistry (London).

Within the Abans Group, Dr. Dubash is mainly involved in administering the supply chain functions of import purchasing, wharf clearance, warehousing, inventory control, distribution, and information systems. Finance, human resource and training departments also come under her purview. In addition, she overlooks the internal Audit department as well.

Dr. Dubash is the Managing Director of Abans Logistics (Pvt) Ltd, a fully-fledged logistics company that deals with freight, transport, warehousing, distribution, container yards and other logistic operations. She is also a director of 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, Crown City Developers (Pvt) Ltd.

Dr. Dubash was the chairperson of the Women's Chamber of Industry and Commerce and representative on the Ceylon Chamber of Commerce Board. She is a member of Women in Logistics and Transport (WILAT) and the committee member of the Australian New Zealand Business Committee and the Canadian Business Committee. Further, Dr. Dubash is a member of SLID and the WCD which is an organization for Women Directors globally.

Rusi Pestonjee
Executive Director

Mr. Rusi Pestonjee is an alumnus of the Executive Management programmes at the Indian School of Business, focusing on strategy and managing family businesses. He supports relationship building of the Abans Group with key international partners and has been instrumental in implementing several new strategic growth initiatives within the Group. Mr. Rusi Pestonjee also 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, AB Real-estate (Pvt) Ltd.

Chandrika Perera
Executive Director

Chandrika Perera was appointed to Abans PLC Board as an Executive Director - Finance in June 2020. She currently serves as the Chief Financial Officer of Abans Group of companies. She is a former Executive Vice President of Leisure Sector (Cinnamon Hotels & Resorts) of John Keells Group and a former Group Financial Controller of John Keells Holdings PLC. She has also served as an Executive Director in many 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, Keells Consultancy Pvt Ltd etc . She has served in several committees in ICASL including the financial reporting committee, Taxation Committee, Statutory Accounting Standards Committee etc. She is a fellow member of the Institute of Chartered Accountants of Sri Lanka and the Society of Certified Management Accountants of Sri Lanka, and holds a Masters in Business Administration from the University of Queensland, specializing in Finance.

Dinesh Weerakkody
Independent Non-Executive Director

Dinesh Weerakkody is the Chairman of the International Chamber of Commerce Sri Lanka and Cornucopia Sri Lanka. He is a former Chairman of 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. He was also a Director of DFCC Bank and was the Chairman of the National Review Committee for the banking sector and the non-banking sector consolidation and the committee appointed to review the budgetary allocation for education. He currently serves in a number of private sector boards. He is a Council member of the Employers Federation of Ceylon and the Institute of Directors of Sri Lanka, Advisory Board Member of Caritas Sri Lanka- SEDEC, HR Cornucopia India and Financial Advisory Committee of Sri Lanka Cricket. He was also a member of the CIMA Asia Pacific Industry Advisory Body and a Vice President of the Sri Lanka Tennis Association. He is a Graduate in Business Administration, a Fellow Member of both the Chartered Institute of Management Accountants (UK) and the Certified Management Accountants (Sri Lanka), Professional Member of the Singapore Human Resource Institute, Honorary member of the Institute of Personnel Management of Sri Lanka, International Public Management Association HR Certified Professional USA and holds an MBA from the University of Leicester, UK. Weerakkody has received an extensive leadership, economic finance, HR, and management training in the UK, USA, France, Japan, Singapore and India. He is the recipient of 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. Weerakkody is a regular business writer, speaker and commentator.

Rajaratnam Selvaskandan
Independent Non-Executive Director

Mr. R. Selvaskandan is an Attorney-at-Law (SL) and Solicitor (England & Wales and Hong Kong). He was a senior partner of a leading law firm in Hong Kong prior to joining the property sector of the CT Holdings Group. He is the Chairman of CT Land Development PLC, Deputy Chairman of C T Properties Limited and a Partner of Varners, a Law firm based in Sri Lanka. He has more than thirty years' experience in legal practice and management in Sri Lanka, UK, and Hong Kong.

CORPORATE GOVERNANCE 21/22

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

Board of Directors and Senior Management Committees

Managing Director/CEO

Executing Management Committee

Employee Empowerment

INTEGRATED GOVERNANCE

- Integrated Governance Systems and Procedures
- Strategy Formulation and Decision-Making Process
- Human Resource Governance
- Integrated Risk Management
- IT Covernance
- Tax Covernance
- Stakeholder Management and Effective Communication

ASSURANCE MECHANISM

- Articles of Association
- Abans Code of Conduct
- Board Committee
- Internal Control
- Enterprise Risk Management Framework
- HR Policies

REGULATORY BENCHMARKS

- 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 two 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

CORPORATE GOVERNANCE

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)	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. Rajaratnam Selvaskandan (Independent Non-Executive Director)	4/4	4/4	3/3	3/3
6. Dinesh S. Weerakkody (Independent Non-Executive Director)	4/4	4/4	3/3	3/3
7. Chandrika Perera (Executive Director)	4/4	N/A	N/A	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 14 to 16.	✔
A.1.1	Frequency of Board Meetings	The Board meets on a quarterly basis and attendance at meetings is given on page 19.	✔
A.1.2	Role & Responsibilities of the Board	Please refer "Responsibilities of the Board" on page 18.	✔
A.1.3	Compliance with laws and access to independent professional advice	A statement of applicable laws and regulations is given on page 17 by the Board of Directors.	✔
A.1.5	Independent judgement	Each Director brings independent judgment 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 2021/22 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 19.	✔
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 18.	✔

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.	✓ Under review
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.	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 2022. 1. Dinesh S. Weerakkody 2. Mr. R. Selvaskandan	✓
A.5.6	Alternate Directors	Not applicable as no Alternate Director was appointed during 2021/2022	✓
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 is 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 14 to 16	✔

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 52 in the annual report. The Remuneration Committee composition and details of meetings held and participation status is given on page 52.	✔
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.	✔
B.2	**Level and make-up of Remuneration**	The Board together with the Remuneration Committee aims to attract retain and motivate high calibre individuals for top executive positions.	✔

Code Ref		Compliance and Implementations	Compliance
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 2021/22.	✔
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 52. Related Party Disclosure Note on page 153 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 29th July 2022 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 2020/21 was submitted to the Colombo Stock Exchange on 07th June 2021 and was delivered to all shareholders the same day. Abans PLC's AGM was held on 30th June 2021.	✔
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 154.	✔
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 2022 and at the end of each quarter of 2021/22 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 48 to 50 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 41 to 47 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 is given in Note 30 to the Financial Statements on pages 153 to 157.	✔

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 53 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 53 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 53.	✔
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 53 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 9 to 11.	✔
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 2021/22 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 six directors
7.10.2(a)	**Independent Directors (ID)**	All NED 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 is 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 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 country experienced the persistent impact of the COVID-19 pandemic that continued to affect the lives and livelihood of individuals and organizations in a depraved manner. Islandwide lockdowns, demand and supply shocks, exchange fluctuations, price variations in the market, effect on disposable income and volatility in Government policy decision changes were direct results of the COVID-19 pandemic which developed into an economic crisis initially and later into a political crisis too in the country.

In the light of volatile and evolving circumstances associated with the COVID-19 pandemic and the prevailing economic crisis, the Group conducted a comprehensive review of the risk management framework and mitigation strategies were implemented giving special emphasis on risks attributable to the Hire Purchase/Lease portfolios and strategies were implemented to manage Group working capital cycle effectively.

The Group has further ensured that operations continue unhindered while ensuring that all health and safety guidelines are met as per government directives. Given the volatile and evolving landscape, the Group will continue to monitor the impacts on its operations and proactively take measures to ensure that business continues as seamlessly as possible.

The 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 to facilitate 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.

Risk Management Structure

Risk Governance Committees

Board Level Committees

- Board Audit Committee
- Remuneration 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	Negligible	Marginal	Moderate	Significant	Critical
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

Significance/Impact

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

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2019/20	2020/21	2021/22
Economic & Business Risk						
National Policy Instability/ Volatility in import regulations	Policy instability leads to a lack of clarity and consistency in national policies which in turn make financial planning and resource allocation difficult and could lead to delays in decision making. This in turn results in reduced operational efficiency and productivity. Lack of predictability in the political environment also leads to the Company's inability to plan and invest in future value creation, which ultimately affects the profitability of the Company.	Business interruptions due to the pandemic persisted from the preceding financial year as the country experienced continuous travel restrictions and lockdown situations during the first half of the current financial year which impacted the business adversely. Considerable volatility was observed in terms of Government decisions on import regulations which impacted the Company adversely, though certain temporary suspensions were withdrawn in June 2021 and strict regulations reimposed in March 2022, allowing imports under special licenses which prolonged the importation process impacting supply lead times. The economy experienced significant scarcity of foreign currency, volatility in the exchange rates throughout the financial year due to the knock-on effect from the pandemic and uncertainties in Government policy decisions. Credit facilities for cross border transactions were curtailed and exposed the Company to risk of disruption in supplies. Further disruption in the supply of essential services such as Electricity, Gas and Fuel towards the latter part adversely affected the operations.	The issue was identified well in advance and addressed through an effective inventory planning process. Accordingly, based on early signs, buffer stocks were maintained while adhering to Government import regulations. Discussions and negotiations 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. Further, with the effective evaluation of the long-term vision of the Government, developed strategies for long-term value creation to rationalize the product portfolio based on macro-economic trends and increased focus on local manufacture and purchase of certain products.	■ High	■ High	■ Extreme
Increase in cost of consumption	Increase in inflation in the country will directly impact the disposable income with reduction in purchasing power that would hinder business growth and directly impact the Sales of the Company and recoverability of Hire Purchase facilities.	The domestic inflation rates have continuously increased during the period which reached as high as 15.10 % in February 2022 according to CCPI whilst NCPI stood at 17.50% as opposed to 3.30% and 4.20% in February 2021. With the development of variants of COVID-19, global conflicts between countries and steep rise in global inflation levels, the global economy is expected to decelerate from 5.5 percent in 2021 to 4.1 percent in 2022 and 3.2 percent in 2023, according to the Global Economic Prospects report published by the World Bank. The World Bank has declared in January 2022, that Sri Lanka's economic growth is expected to reduce to 2.1 percent in 2022, and slightly increase to 2.2 percent in 2023 as opposed to 3.3 percent in 2021.	Implementation of better inventory management and credit evaluation policies along with investment in cutting-edge technology helped to manage the inflationary situation. Entering into corporate purchasing agreements, successful negotiation with suppliers, direct purchases from manufacturers and management of cost contributed to improving productivity.	■ High	■ High	■ High

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2019/20	2020/21	2021/22
Market Place Risk						
Competition	Increasing competition in the consumer electronics and retail industry invariably impacted the market share of the company and could impact the profitability of the Company too.	Introduced Digital Marketing tools to take advantage of Digital advertising and continue to monitor the effectiveness and the reach of digital campaigns. Increased focus on our showrooms with the opening of 4 new Abans Elite showrooms and rationalization of other showrooms. The presence of the "Abans" brand in the marketplace was further supported by strategic marketing through different channels with an emphasis on outdoor marketing. Whilst continuing to promote the "Abans" brand online, ventured to the export market too. Continuous customer survey to promote the customer-centric culture. More focus on the Shop in Shop concept. Acquiring a new retail brand.	Use of latest technology to monitor competitor performances and activities in the Digital space. Continuation of competitiveness in proactive pricing, effective sharing of resources amongst channels, focus on showroom outlook with supplier participation. Expand and improve after sales customer services. Maintaining good relationships with suppliers, both local and international. Developed strong international Branding. Exploring of possibilities of acquiring other retail brands. Development of improved customer service through the Elite Channel specifically.			
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 are likely to impact the overall results and bottom line of the Company.	Customer seasonal behavior changed to a speculative behavior with the scarcity in foreign exchange, restrictions on imports and anticipated price hikes. Customers purchased the products as and when funds were available considering immediate and near future requirements.	Secured Sales based on the needs throughout the year before the season commenced. Proper financial and operational planning to ensure minimum impact on business performance. Improved virtual presence and customer-centric after sale services culture to reduce impact of any possible seasonal fluctuations of sales while capitalizing on the customer trend to buy consumer durables online.			

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2019/20	2020/21	2021/22
Fast Changing Technology and Customer Preferences	This risk entails the failure to capitalize on new technology or emerging trends. The failure to meet customer expectations could also have a negative impact on the revenue and bottom line of the Company.	Developments in web strategy and Digital Marketing positively impacted the overall performance of the business, • Continuously investing time and effort to develop and update the BuyAbans online platform through which effective marketing campaigns are initiated. • Deploying world-renowned "Social Listening" tools to track and monitor social media activity. • Deploying advanced Customer Relationship Management tools to gather customer preferences and real time trends which are specific to local markets and target specific customer segments through advanced digital marketing campaigns. • Automation of Digital Marketing campaigns to reduce time and cost. • More product offerings in the e-Commerce space. • Changes in product lines or new products that have been introduced to the market to keep up with customer trends and preferences. • Re-evaluating the After Sales Service strategy to direct it towards current trends to improve customer experience aligning it with our overall strategy.	• Introduction of latest technology and SaaS tools to Manage and launch Digital Marketing campaigs. • Introduction of latest technology to gather, analyse and monitor information on customer preferences and trends. • Convenient and secure payment gateways for customer and business banking. • Showroom layouts to consider emerging trends. • Launch of new and exciting products with latest technology. • Enhance and empower customer service representatives and sales consultants through effective training on products and latest systems in use. • Introduction of loyalty programs to attract and retain customers. Clearance sales and promotions to minimize slow moving stocks.			
Operational Risk Inventory Management	Adhering to the supervision of the flow of inventory from suppliers to warehouses and thereafter to the point of sale. poor inventory management can ultimately lead to the buildup of slow-moving stock and inefficiencies in achieving the targeted bottom line. Most of our Inventory items run the risk of being obsolete mainly due to technical obsolesces. The excess inventory will increase the stock holding cost and space.	During the year, the centralization of delivery and logistics of products was successfully deployed in phases throughout the showroom network with a focus on better management of inventory at showrooms, reducing inventory obsolescence and delivery cost resulting in increased overall operational efficiency. Additionally, our inventory management process became more crucial than ever before due to the prevailing conditions in the world which have resulted in high cost and several barriers to our import process which was rather challenging as our operations are heavily dependent on imports.	The inventory management process was further developed to reduce operational inefficiencies and to maintain optimal inventory levels, • An IT development was introduced to the Inventory management system by implementing integrated supply chain and inventory management information dashboards to facilitate better and efficient information flow with real time order tracking features. • Introduction of more efficient methods of reducing slow moving stock and closely monitoring showroom inventory levels.			

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2019/20	2020/21	2021/22
	High inventory levels at showrooms could expose inventory to misappropriation and obsolescence.		• Promotional offers, discounts and sales introduced to reduce excess levels of inventory. Further, the management proactively monitored the inventory levels through the review of Age Analysis and frequent management discussions and initiated proactive and immediate responses to any change in business conditions. Continuation of effective inventory planning meetings with the participation of all stakeholders on a regular basis.			
Risk on fraudulent and dishonest activities	Due to the current business and economic environment, the likelihood of potentially fraudulent and dishonest activities by customers and employees have displayed an increasing trend. Shoplifting is one of the common challenges faced by retailers.	Internal control strategies of our operations are being looked at often by the management to minimize business interruptions in terms of fraudulent activities through, • Increased frequency of internal audits. • Security measures adopted 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, • Frequent internal audits of showrooms. • Enhanced use of data analytic techniques for audit purposes. • Risk-based audit planning. • Anti-Fraud measures. • Initiating timely disciplinary action. • Strengthening the initiatives of three lines of defense.			
Employee health and safety issues	Employee Health and Safety has been a contemporary risk factor due to the pandemic and in response, we have been continuously focusing on Employee Health and Safety and safety measures in line with the advisement of local health authorities to provide a safe working environment, particularly from COVID for our employees in addition to the regular health and safety protocols are in place.	COVID-19 pandemic had a severe impact on the world of work during 2021/22 year as well. Countrywide lockdowns during 2021/22 have resulted in significant loss of labour income through higher levels of inactivity and unemployment. However, in the last quarter, the COVID-19 threat has gradually declined with vaccination. Nevertheless, all the precautionary measures have been continued, with the businesses getting back to their full operation despite adverse economic conditions.	At Abans, employee wellbeing is a key priority. We continued to practice the processes we introduced in 2020 under the Risk Control Policy for managing the threat of COVID-19, whilst implementing many wellbeing initiatives to strengthen employee mental health and wellness.			

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2019/20	2020/21	2021/22
People Risk and Labour Shortages	Failure to retain capable employees for the relevant tasks will result in failure to achieve set goals on time. In 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 prevailing economic condition of the country in this financial year there has been a considerable brain drain due to Government recruitments, increased migrations 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 have been on a hiring freeze during lockdowns. The scarcity of talent created by the brain drain and the increased demand for talent is making Human Resources far costlier than ever before.	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 and Abans Annual Awards schemes were launched this 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.			
Strategic Risk Risk of losing data, disruptions to operations due to break down in the IT systems and security breaches	Security Breaches could result in loss of data & non-availability of Systems for Business Continuity Inability to obtain unhindered cloud services due to Foreign Exchange crisis.	SAP ERP is being rolled out to all the Group Companies. All Group Companies Financial Accounting would be consolidated to a common platform (SAP – FICO). Physical server infrastructure has been selectively moved to cloud, but cost escalations due to Sri Lanka Rupee depreciation observed.	A new Group Chart of Accounts has been drawn up for better management, controls and reporting. Introduction of ISO 27001-based Process Governance is being evaluated. XDR-based enhanced security platform being evaluated to address ever increasing threats including ransomware. An independent comprehensive Technical audit of the Security Platform is being evaluated.			

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2019/20	2020/21	2021/22
Negative impact on Reputation arises from unaccepted corporate behaviour.	The Company have 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 promotes integrity and good business practices among employees to maintain socially acceptable behaviour. Company always adheres to the applicable laws and regulations and follows the best practices. To maintain a competitive edge, the BOD and its 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 behaviour along with timely measures.			
Incapability to meet the customer preferences and fast technological changes	Due to rapid change in technology, new products and trends arrive at the market at an alarming rate. Simultaneously, the customer preferences also change. Therefore, to sustain in the market, it is essential to identify and capitalize on new technology and emerging trends.	Introducing a digital wallet improved payment gateways for the effective management of costs and business banking. Development of "My Abans Customer" app to improve customer service through interaction. Development of a B2B app for Corporate Customers and Business Partners for effective communication and transparency.	Abans is backed by reputed brands being technological leaders. All product category heads have constant meetings with brand principals and get updates on product roadmaps on a regular basis which helps to launch globally leading technologies /trends to the local market ahead of the competition. Abans PLC has always been the trendsetter with the introduction of world leading technologies into the market. Product category heads are able to constantly identify and avoid technological obsolescence with the constant updates from brand principals. Continued to introduce constantly new varieties of products/versions to the market. Continuously exposed staff to new technology through training and hands-on experience.			

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2019/20	2020/21	2021/22
			Ensured all our brands meet quality standards irrespective of the pricing. Continuous training of staff in embracing technology leadingto a paperless work environment supporting cost reduction, increased efficiency and transparency. Continuous development of Dashboards for all levels for timely and effective decision-making.			
Financial Risk Forex rate Risk	The country's Trade Deficit, External settlements and Government approach to foreign relationships have a direct impact on the interest rate and exchange rate trends. Abans PLC has several supplier contracts that are denominated in foreign currency. Therefore, the transactional risk of unanticipated changes in exchange rates based on economic conditions has a significant impact on the cost of goods sold	The Central Bank of Sri Lanka (CBSL) issued directives to relax the exchange rate policy in March 2022 and as a result, the LKR depreciated against the US dollar significantly during the month of March. During the year up to 31st March 2022, the Sri Lankan rupee has depreciated against the US dollar by more than 50%.	Transaction risk of unanticipated changes in exchange rates is mitigated by considering exchange rate fluctuations in costing and pricing. This involves forecasting 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 funds. 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. Significant component of the interest rates is 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, the company managed its working capital effectively while maintaining a stable Credit rating to ensure competitive interest rates were offered by lenders. Maintained a mix of fixed and variable interest rates in the current loan portfolio. During the period the Average Weighted Prime Lending Rate (AWPLR) moved from 5.8% to 10% approximately. However, the interest rate movement was a steady increase, which allowed the company to manage the cost effectively.	Maintaining a feasible mix of Fixed & Variable interest rates in the loan portfolio. • Locking the interest rate by borrowing from fixed interest rate funding sources. • Maintain right mix of borrowing to reduce maturity mismatch. • Strong business relationships with lenders and brand strength help to ensure better negotiation on terms of credit • Maintained a stable Credit rating to ensure competitive interest rates were offered by lenders			

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2019/20	2020/21	2021/22
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 Pandemic situation, strategies were implemented to improve working capital management. • Current ratio at the end of 2021/22 stood at 1.7 compared to 1.4 at the beginning due to effective management of working capital amidst the pandemic. However, during the latter part of the Financial Year, the country faced US Dollar liquidity issues, which resulted in the 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. • 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 the 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.			
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	Slowed down expansion plans in order to accommodate the general economic downturn post COVID-19. Positively looking at enhancing local manufacturing capacities.	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			

Risk Exposure	Potential Impact	Developments in 2021/22	Mitigation	Net Risk Assessment		
				2019/20	2020/21	2021/22
	general business climate and buying power of consumers. 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		variables in the feasibility studies are continuously monitored and hedged wherever possible. • Post investments analysis and performance tracking are in place. • Expected returns are computed based on conservative assumptions and the project feasibilities are estimated based on the same.			

Financial Capital

The following discussion and analysis should be interpreted in conjunction with the Group's and Company's audited consolidated financial statements for the year ended 31st March 2022. In this report, "Group" refers to ABANS PLC and its subsidiaries/ associates, while "Company" refers to ABANS PLC. Below given interpretations should be read precisely.

Basis of preparation

The Financial Statements were prepared in accordance with the Sri Lankan accounting standards (also referred to as SLFRS & LKAS) 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.

Prologue

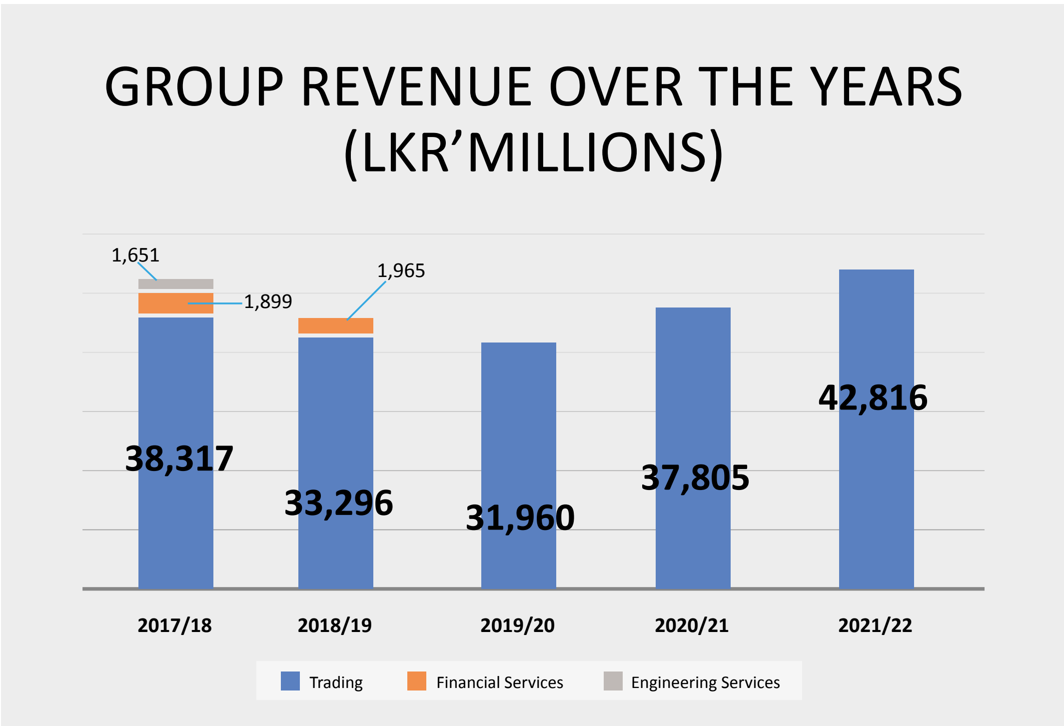
ABANS PLC was successfully able to secure the highest ever revenue recorded in this financial year under review through commitment to strive amidst the external threats posed by the economy. The COVID19 lockdown situation enabled ABANS to function more efficiently through its e-commerce platform, driving in sales allowing room for exceeding its targets.

With Sri Lanka's worsening liquidity position due to limited foreign reserves, high external debts and insufficient exports, imports had become challenging to the economic stability and strength. Consumer durables experienced delays and this affected ABANS in a significant manner. To mitigate this, ABANS had incorporated ABANS Manufacturing PVT LTD with the intention to manufacture the products in the local.

Further, with the strong relationships maintained throughout the supply chain, cashflow management, customer loyalty and employee commitment, Abans was able to record yet another succussful financial year amidst the unstable economic conditions affected by the global pandemic.

Revenue

The Group & Company produced a revenue of LKR 42.8 Bn for the year ended 31st March 2022 in comparison to LKR 37.8 Bn recorded in 2020/21 at 13.25% growth YoY. Group revenue stood at around the same level as the company since Abans Finance PLC is classified as a "Held for Sale" asset in group financials. Group revenue for FY 2021/22 consists of the revenue of Abans PLC and AB Manufacturing Pvt Ltd (No operations during the year)

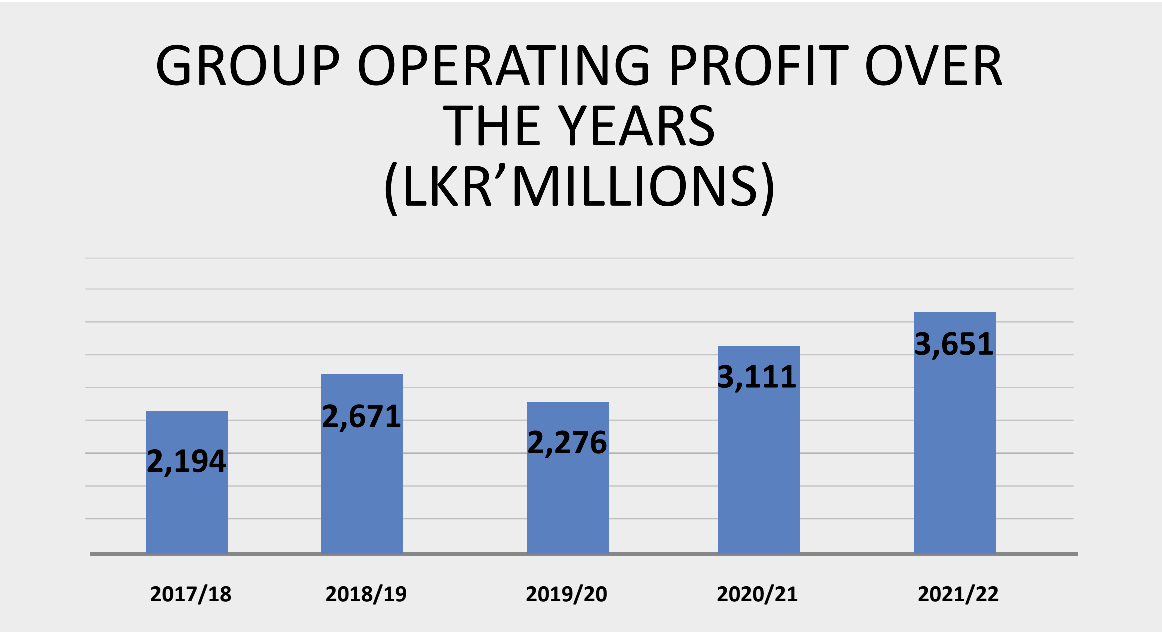


Gross Profit

Gross profit for the period stood at LKR 11.4 Bn for the Group with a 14.8% YoY growth compared to that of Last year. GP for the Group increased by LKR 1.4 Bn against last year due to strong growths in sales and the sales product portfolio mix. However, Gross profit Margin for the Group stood at 26.6%, with a 0.3% increment in comparison to the previous year.

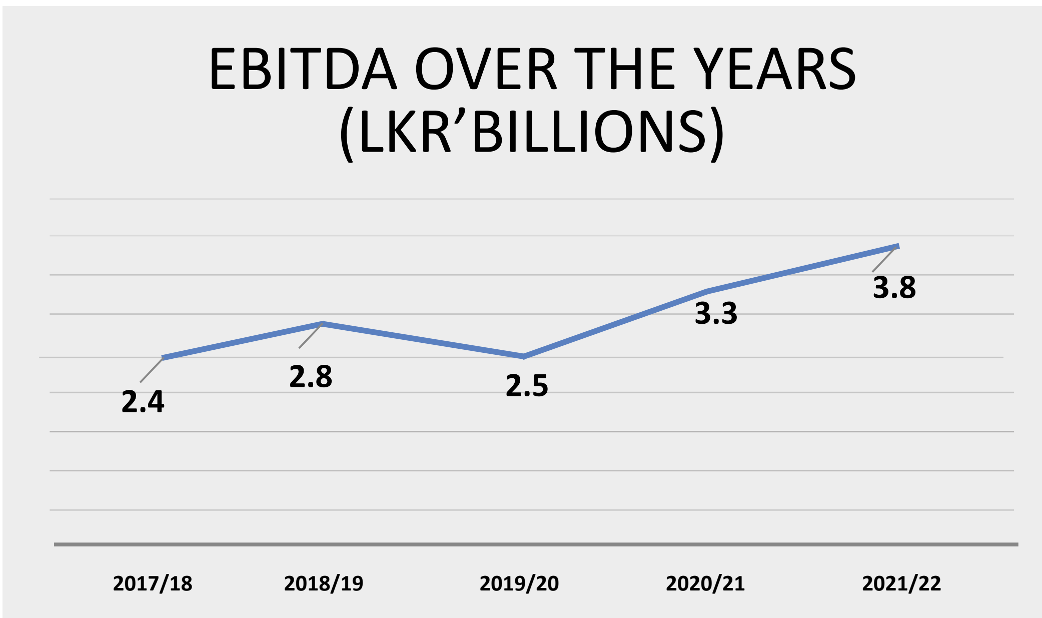
Operating Profit

There was a surge in operating expenses by 13.9% in comparison to that of the previous year mainly due to Sales promotions and related expenses driven by increased sales and due to increased utility related expenses compared to last year country lockdown induced reductions. Accordingly, Group operating profit for the period reached LKR 3.6Bn mark recording the highest of the last 5 years with significant YoY growth of 17.4%, despite of the operating expense increment. The OP Margin is reported to be 8.5% for the period 2021/22.



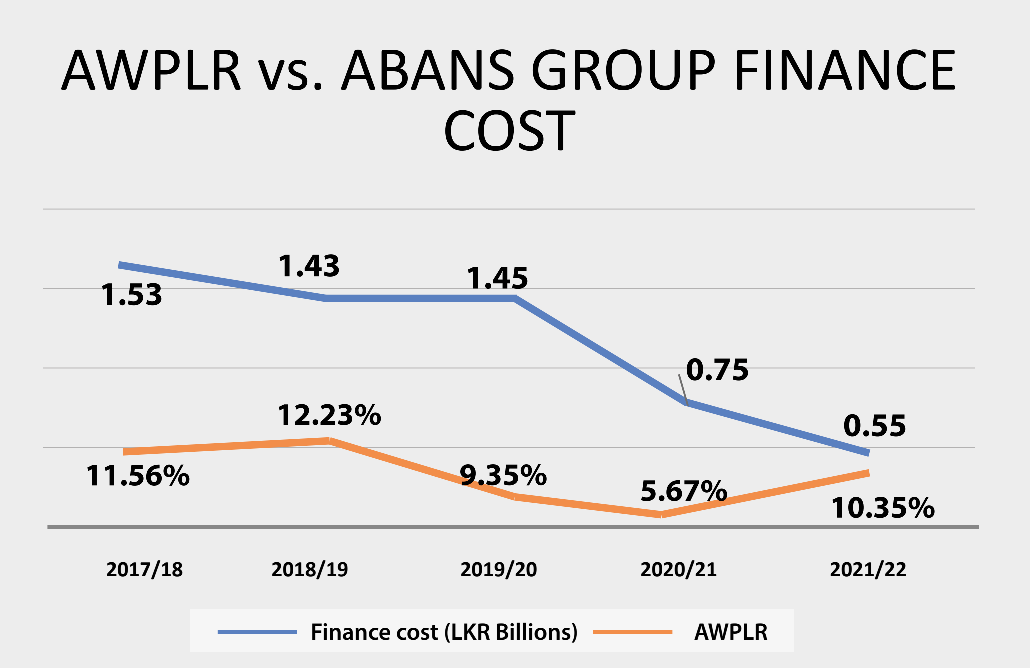
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

Group & Company EBITDA for the year under review grew from LKR 3.3 Bn to LKR 3.8 Bn in comparison to the year 2020/21. Despite the increase in operational expenses due to the adverse macro environment events, EBITDA has risen as a result of the high gross profit generated through significant improvement in revenue.



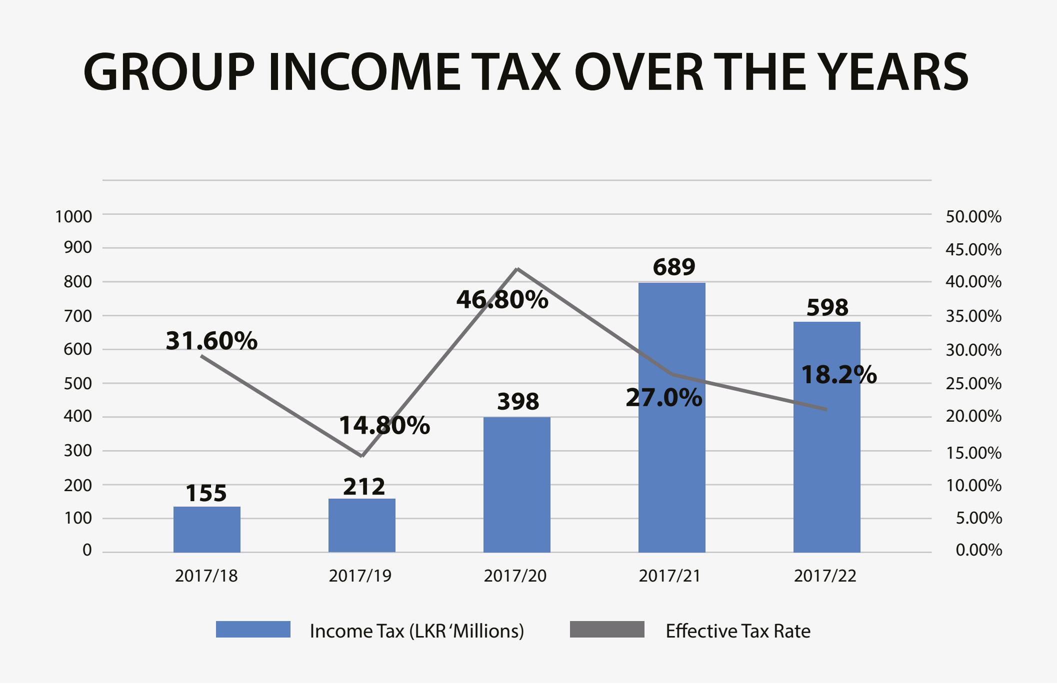
Net Finance cost

Regardless of the Import and Exchange restrictions prevalent, ABANS PLC was able to manage the operations without increasing its external debt. This was made possible through strategic working capital management and flexibility towards supplier credit arrangements attributable to the sturdy, long-term relationships maintained with our main suppliers, especially LG. The Year under review ended with a finance cost of LKR 551 Mn against LKR 745 Mn last year for both the Group and the Company. Net finance cost includes LKR 131 Mn Lease Liability recognition as per IFRS 16 for 2021/22.



Taxation

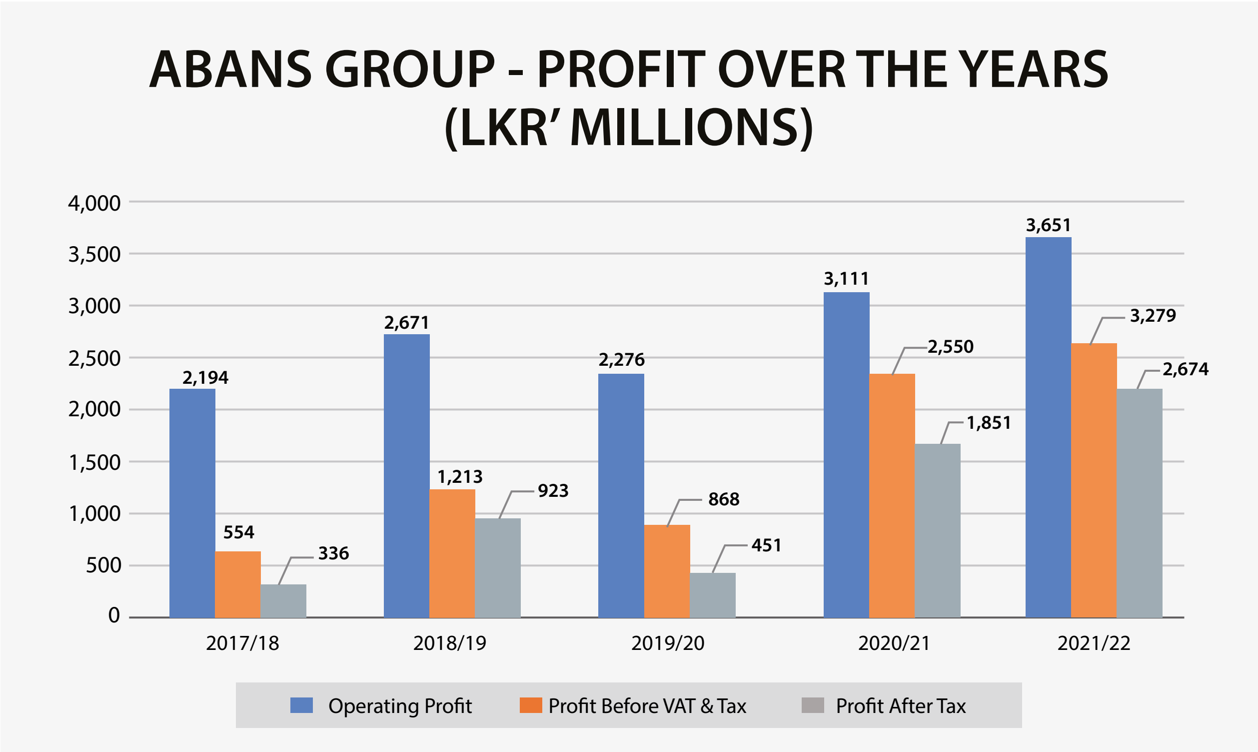
Income tax expense for the Group was LKR 598 Mn. The effective tax rate of the Group for 2021/22 was 18% compared to 27% last year. Group Tax includes deferred tax reversal of Rs.61Mn and Company Tax includes deferred tax reversal of Rs. 68 Mn.



Net Profit after Income Tax & VAT

Group net profit for the period under review is reported to be LKR 2.6 Bn with a 44% YoY growth. Overall growth in profitability was a direct result of the 13.25% growth in Turnover, Improvement in Operating profit and further reductions to the finance cost.

In the Group, profit attributable to owners of the Company was at LKR 3.5 Bn vs LKR 1.8 Bn recorded in year 2020/21. Profit attributable to non-controlling interest was at LKR 216 Mn compared to previous year's figure of LKR 144 Mn.

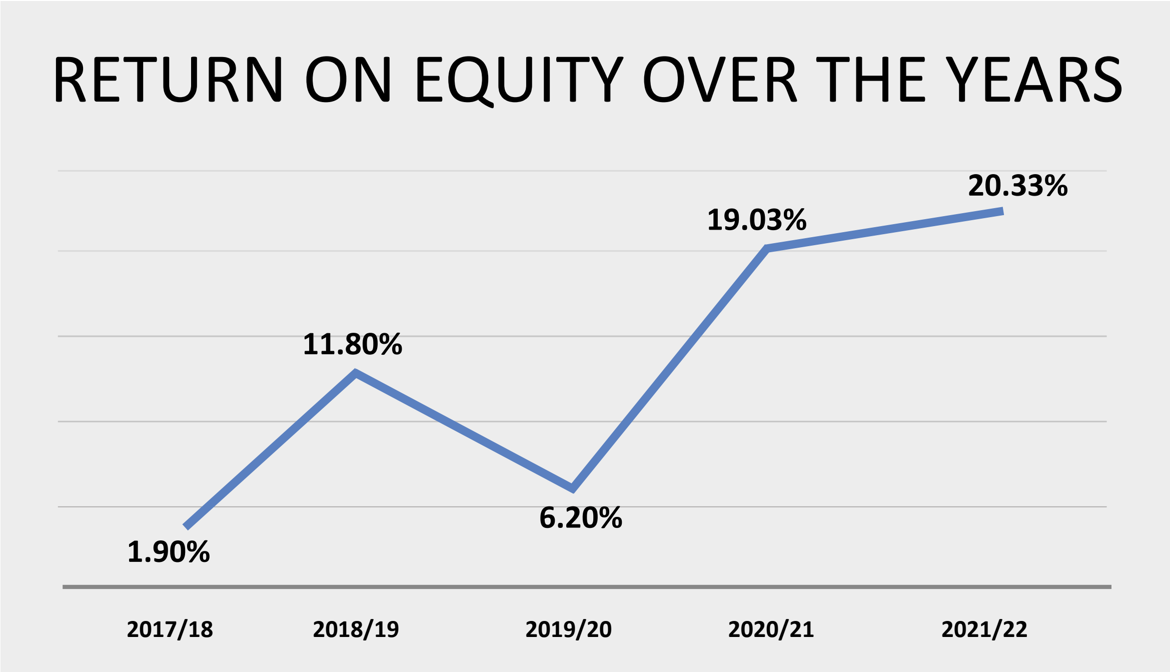


Earnings Per Share (EPS)

As a result of the improved Net profit during the period, as a result of the improved Net Profit during the period, Earnings per share for the Group from continuing operations stood at LKR 1.2 per share which is 1.4 times to that of last year. similarly, EPS for the company grew by over 1.4 times compared to 2020/21 to end at Rs. 1.19 per share. during the year a share split occurred increasing the total ordinary shares of Abans PLC to 2,221,304,615

Return on Equity

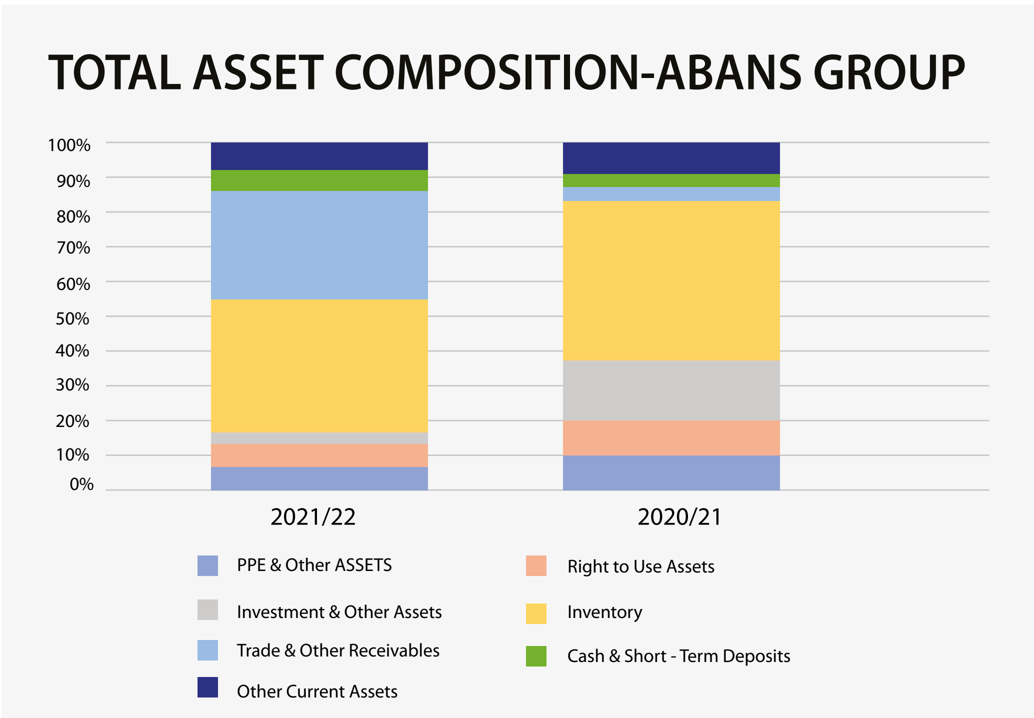
Group recorded a return on equity of 20.3% for the year under review marking the highest of last five years. Last year's ROE for the group stood at 19.03%. This was mainly due improved earnings as a result of sales growth and effective working capital and cash management.



Financial Position

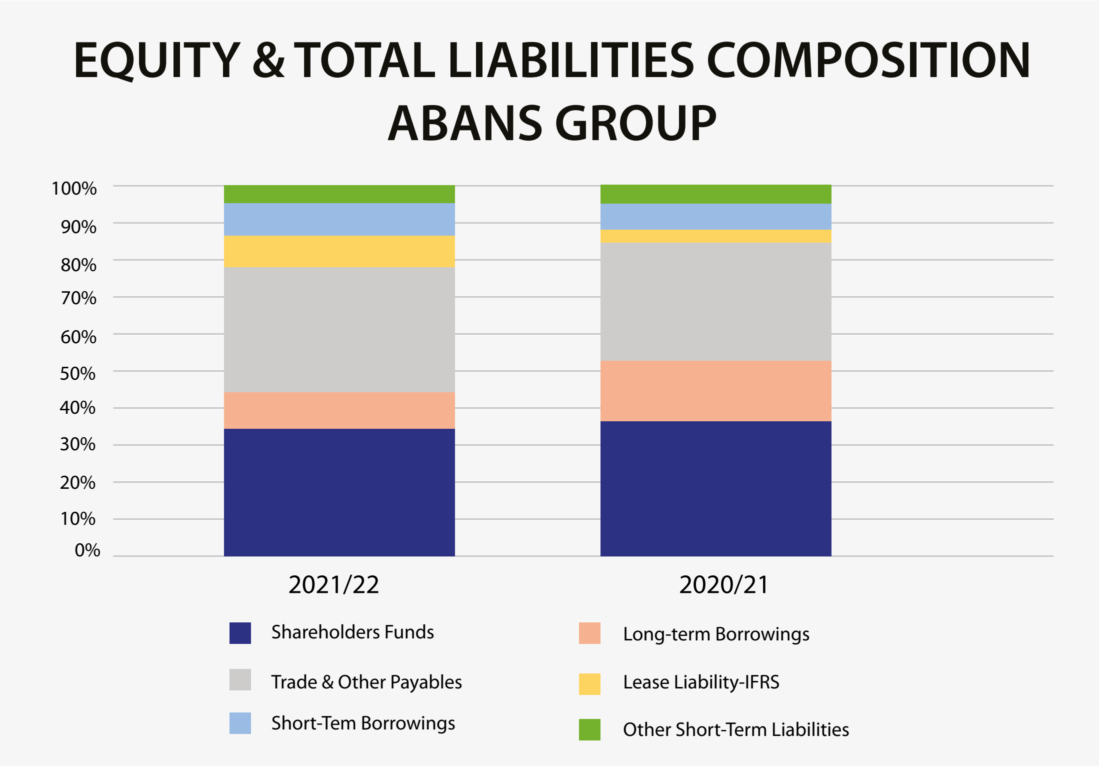
Assets

Assets of the Group stood at LKR 42 Bn as at 31st March 2022 compared to Rs.33 Bn at the beginning of the year. Non-Current assets of the group reduced over the year due to disposal of invesment in Colombo City Center, whereas Current Assets of the Group increased mainly due to strategically increasing in inventory and increase in trade and other receivables.



Liabilities

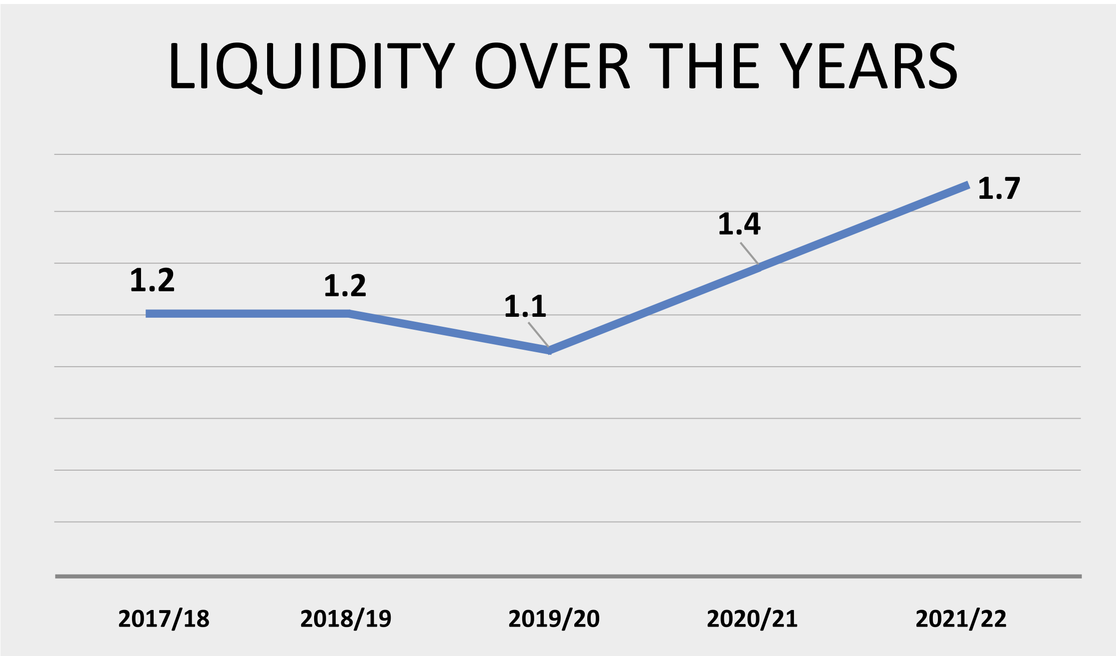
Additional interest-bearing borrowings led to an increase in non-current liabilities. The Current liabilities also increased to LKR 14.8 Bn due to a rise in the Trade Payables & interest-bearing borrowings. Accordingly, Total liabilities of the Group rose by 25% compared to the start of the year to end at LKR 27.9 Bn.



Ratios

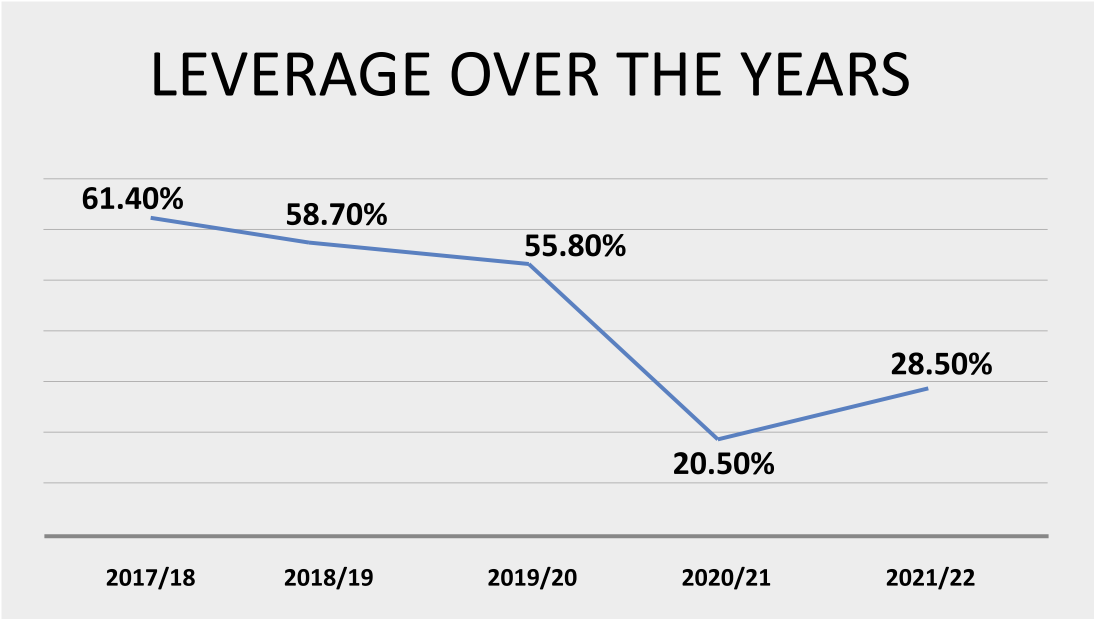
Liquidity

ABANS Group liquidity ratio improved slightly over the year under review to end at 1.7 times compared to 1.4 times at the beginning of the year. This was mainly due to an increase in inventory and trade/ other receivables under Current Assets.



Leverage

The Debt/Debt + Equity ratio of the group has increased to 28.5% in comparison to the previous year figure 20.5%. This was due to an increase in Group's interest-bearing borrowings by LKR 2.9 Bn during the year.



Annual Report of the Board of Directors 21/22

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 2022.

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 and their activities are given on page 69 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 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. 42.8 Bn which was derived almost entirely by Abans PLC due to Abans Finace PLC being reclassified as held for sale during the year 2022.

Financial Statements and the Report of the Auditors

The Financial Statements of the Group for the year ended 31st March 2022 as approved by the Board of Directors on 65 are given on pages 63 to 158. 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 69 to 103. There were no material changes in the Accounting Policies adopted by the Group during the year other than those disclosed in the Note no 2.1.2 to the Financial Statements.

Investments

Total investments of the Company in its Subsidiaries, Associates, Joint Venture and Equity investments amounted to Rs. 153 Mn. The details of the investments are given on Pages 102 and 105 to the Financial Statements.

Property, Plant and Equipment

The Net Book Value of Property, Plant and Equipment as at year end amounted to Rs. 1,285,276,956 and Rs. 2,262,159,614 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. 177,497,220 and Rs. 1,176,837,061 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 2022 was Rs. 500,869,225/- consisting of 2,221,304,615 ordinary voting shares. The total Group equity was Rs. 14,368,002,702 /- as at 31st March 2022.

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 2022 and their brief profiles are given on pages 14 to 16. The following persons were the Directors of the Company as at 31st March 2022.

(a) Mrs. Aban Pestonjee – Chairperson

(b) Mr. Behman Pestonjee – Managing Director

(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

Re-Election of Directors

A Resolution will be tabled at the forthcoming Annual General Meeting to re-elect Mrs. Aban Pestonjee, the Director who is above the age of 70 years and who is due to retire at the end of the Annual General Meeting in terms of Section 210 of the Companies Act No. 7 of 2007.

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 30.7 to the Financial Statements.

Directors' Shareholding

The shareholding of the Directors of the Company as at 31st March 2022 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 30.7 to the Financial Statements.

Share Information

Information relating to earnings, dividends and net assets is given on page 159.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 159.

Corporate Governance

The Board of Directors has endeavoured 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 17 to 29 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 endeavours 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

Messrs. Ernst & Young, Chartered Accountants are deemed re-appointed in terms of Section 158 of the Companies Act No. 07 of 2007 as the Auditors of the Company. A resolution to authorise the Directors to determine the remuneration of the Auditors will be proposed at the forthcoming Annual General Meeting. Total audit fees paid to Messrs. Ernst & Young by the Company and its Subsidiaries are disclosed in Note 5.5 to the Financial Statements. The Auditors of the Company and its Subsidiaries have confirmed that they do not have any relationship with the Company or its subsidiaries (other than being the Auditor) that would have an impact on their independence.

Annual General Meeting

The Annual General Meeting will be held at Head Office, Abans PLC, on 29th July 2022 at 10.00 a.m. 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.
By Order of the Board.

Varners International (Pvt.) Ltd.
Company Secretaries,

17th June 2022


Life's Good

Statement of Directors' Responsibility 21/22

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 mem s 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,

Varners International (Pvt.) Ltd.
Company Secretaries

17th June 2022

Board Remuneration Committee Report

"The main purpose of the Remuneration Committee is to ensure that Abanc 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 CHRO, 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

17th June 2022

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 the Company's 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, compliance with Legal and Regulatory Requirements, the External Auditors' Performance, qualifications and independence, and the adequacy and 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 which has been approved by the Board and is reviewed annually.

The key responsibilities of the Committee include:

- Reviewing Financial Information of the Group, 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 judgement made in preparing the Financial Statements.
- Reviewing Risk Management Processes and Regulatory Compliance.
- Reviewing of the Financial Statements (including Quarterly Financial Statements) to ensure the compatibility 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 page 14 to 16 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 serve 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 Accountant of Sri Lanka.

Meetings

The Committee met on Four (04) occasions (by physical presence and/or 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) 4/4

Mr. Rajaratnam Selvaskandan 4/4

The Executive Directors including the Group Chief Financial Officer, 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 Sri Lanka Accounting Standards. As such the Committee reviewed and discussed the Quarterly Financial Statements.

Internal Controls and Risk Management Procedure

The Company (Abans PLC) 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, 525 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

Key functions of the Committee in respect to the External Audit include:

- 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 audited 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 changes in the economic environment as a result of the Pandemic, conducted a special review of processes in order to mitigate 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 2023, subject to the approval of 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

17th June 2022

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 Finance.

- 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 14 to 16 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, Group Chief Financial Officer attended these meetings. Messrs Varnes 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 2022, and the attendance of committee members at meetings is 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 RPT as required by Section 9 of the Continuing Listing Requirements of the CSE. of 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

17th June 2022

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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 2022 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 2022, 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.

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.

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of trading stock As at 31 March 2022, the net carrying value of trading stocks amounted to Rs. 11,949 Mn after considering an allowance of Rs. 319 Mn, as disclosed in Notes 2.3.17 and 16 to the finan-cial statements. Existence and valuation of trading stock was a key audit matter due to: - Materiality of the reported amount, which represents 28% of the Group's total assets; - Trading stock being held at multiple locations comprising warehouses and showrooms island wide. The existence of in ventory is verified by management through physical inventory counts performed as at the year-end; and - Management judgements applied in determining the adjust ments required for the measurement of inventory on account of slow-moving items and other industry factors.	Our audit procedures, among others, included the following: - Observed physical inventory counts at selected multiple locations and reconciled the count results to the inventory records. - Understood the process followed by the management and assessed the reasonableness of man agement judgements to determine the valuation of the physically verified trading stocks at the lower of cost and net realizable value. - Tested, whether trading stocks were stated at the lower of cost and net realizable value as at the reporting date, by comparing cost with subsequent selling prices of trading stocks. We also evaluated the adequacy of the disclosures in Note 2.3.17 and 16 to the financial statements.
Revenue recognition Revenue of the Group is derived from the sale of consumer durable goods through showroom sales and other distribution channels based on contractual arrangements with customers, which include arrangements such as hire purchase as further disclosed in notes 2.3.6 and 5. Recognition of revenue was a key audit matter due to: - the significance of the amount of Rs. 42,816 Mn coupled with the increase (13%) reported by the Group; - Complexity due to various contractual arrangements with customers including those related to hire purchase.	Our audit procedures, among others, included the following: - Evaluated the design and tested the operating effectiveness of financial controls relevant to revenue recognition, including whether revenue transactions are recorded and reported accurately in the appropriate period. - Performed inquiries of management and appropriate analytical procedures to understand and assess the reasonableness and reasons contributing to the in crease in revenue. - Tested the appropriateness of revenue recognised by reviewing the relevant supporting documents. Our considerations included whether revenue is recognised in the appropriate period. - Assessed whether income recognised over the period from hire purchase contracts, 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
Impairment of Trade & Other Receivables As detailed in Note 15 to the financial statements, Trade & Other Receivables as of 31 March 2022 amounted to Rs. 10,230 Mn net of a provision for impairment of LKR. 1,043 Mn representing 24% of the total assets of the Group. Assessment of the allowance for impairment of Trade and other Receivables was a key audit matter due to: - Materiality of the amount reported and the complexity of calculations involved; - The degree of assumptions and judgements associated with evaluating the probability of recoverability including the impact of current economic conditions. Note 2.3.15 to the financial statements describes as sumptions and judgements applied including the sensitivity to changes in key assumptions.	To assess the reasonableness of the allowance for impairment, our audit procedures, among others, included the following: - Evaluated the management's process over estimation of impairment for Trade and Other Receivables, which included assessing the level of oversight, review and approval of impairment policies by the management. - Tested the underlying calculations and data used in those calculations. In addition to the above, focused procedures were performed as follows: - Trade and Other Receivables individually assessed for impairment: - Assessed the main criteria used by the management for determining whether an individual credit exposure is impaired. - Trade and Other Receivables collectively assessed for impairment: - Tested the completeness of the underlying information used in the impairment calculations by agreeing details to the source documents. - Assessed the reasonableness of the assumptions and judgements used by the management including the impact of current economic conditions. We assessed the adequacy of the related financial statement disclosures as set out in notes 2.3.15.11 and 15.

Other Infomation include in the 2022 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 cir cumstances, 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 out-weigh 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.

Colombo

17 June 2022

STATEMENT OF PROFIT OR LOSS

		Group		Company	
Year ended 31 March		2022	2021	2022	2021
	Note	LKR	LKR	LKR	LKR
Continuing Operations					
Revenue	5.1	42,816,093,584	37,805,391,199	42,818,157,810	37,809,532,938
Cost of Sales		(31,420,694,817)	(27,878,664,567)	(31,420,694,817)	(27,878,354,219)
Gross Profit		11,395,398,767	9,926,726,632	11,397,462,993	9,931,178,719
Other Operating Income	5.2	217,850,845	173,930,113	220,438,845	264,138,062
Selling & Distribution Expenses		(4,326,634,689)	(4,015,404,932)	(4,326,634,689)	(4,018,224,007)
Administrative Expenses		(3,635,632,804)	(2,974,204,274)	(3,634,602,515)	(2,974,482,576)
Results from Operating Activities		3,650,982,119	3,111,047,539	3,656,664,634	3,202,610,198
Finance Cost	5.3	(550,724,189)	(745,133,060)	(550,724,189)	(745,133,060)
Finance Income	5.4	85,792,004	49,009,154	85,792,004	49,009,154
Change in Fair Value of Investment Properties	9.1	43,347,613	12,819,088	43,347,613	12,819,088
Share of Results of Equity Accounted Investee (Net of Tax)	13.4	50,023,232	122,214,346	-	-
Profit before Income Tax and Value Added Tax on Financial Services from Continuing Operations	5.5	3,279,420,779	2,549,957,067	3,235,080,062	2,519,305,380
Value Added Tax on Financial Services		(7,195,603)	(9,690,296)	(7,195,603)	(9,690,296)
Income Tax Expense	6.1	(598,355,294)	(688,527,048)	(591,513,498)	(672,247,025)
Profit for the year from Continuing Operation		2,673,869,882	1,851,739,723	2,636,370,961	1,837,368,059
Discontinued Operations Profit for the Year from Discontinued Operations	28	1,096,170,051	133,941,463	-	-
Profit for the Year		3,770,039,933	1,985,681,186	2,636,370,961	1,837,368,059
Attributable to: Equity Holders of the Parent		3,553,483,256	1,841,267,407	2,636,370,961	1,837,368,059
Non-Controlling Interests		216,556,677	144,413,779	-	-
		3,770,039,933	1,985,681,186	2,636,370,961	1,837,368,059
Earnings Per Share -Basic / Diluted					
- From Continuing Activities	7.1	1.20	0.83	1.19	0.83
- From Discountinued Activities	7.1	0.40	(0.00)	-	-
Dividend Per Share	7.2	0.07	0.17	0.00	0.17

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 69 to 157 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

		Group		Company	
Year ended 31 March		2022	2021	2022	2021
	Note	LKR	LKR	LKR	LKR
Profit for the Year		3,770,039,933	1,985,681,186	2,636,370,961	1,837,368,059
Other Comprehensive Income					
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods :					
Revaluation Gains from Land and Buildings	8	-	141,340,186	-	141,340,186
Actuarial Gain/(Loss) on Employee Benefits Liabilities	23.2	24,211,188	(14,063,783)	24,211,188	(14,063,783)
Tax Effect on above	6.2	(5,810,685)	(11,746,667)	(5,810,685)	(11,746,667)
Revaluation Gain from Equity Accounted Investee- Associate (Net of Tax)	13.4	-	30,619,406	-	-
Actuarial Gain/(Loss) from Equity Accounted Investee- Associate	13.4	6,205,982	(1,254,393)	-	-
Net Other Comprehensive Income for the Year from Discontinued Operations		1,809,023	28,359,546	-	-
Net Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods		26,415,508	173,254,295	18,400,503	115,529,736
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods :		-	-	-	-
Other Comprehensive Income for the Year, Net of Tax		26,415,508	173,254,295	18,400,503	115,529,736
Total Comprehensive Income for the Year, Net of Tax		3,796,455,441	2,158,935,481	2,654,771,464	1,952,897,795
Attributable to: Equity Holders of the Parent		3,578,988,357	2,000,249,511	2,654,771,464	1,952,897,795
Non-Controlling Interests		217,467,084	158,685,970	-	-
		3,796,455,441	2,158,935,481	2,654,771,464	1,952,897,795

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 69 to 157 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		Group		Company	
		2022	2021	2022	2021
ASSETS	**Note**	**LKR**	**LKR**	**LKR**	**LKR**
Non-Current Assets					
Property, Plant and Equipment	8	2,262,159,614	1,455,581,294	1,285,276,956	1,455,581,294
Investment Properties	9	199,800,000	338,010,500	199,800,000	338,010,500
Right of Use Assets	10	2,380,320,788	1,899,244,138	2,380,320,788	1,899,244,138
Intangible Assets	11	1,638,573	7,470,214	1,638,573	7,470,214
Investments in Subsidiaries	12	-	-	75,000,010	2,751,680,000
Investment In Equity Accounted Investee	13	844,128,901	3,076,082,955	78,212,351	78,212,351
Deferred Tax Assets	6.5	325,178,261	262,364,347	325,178,261	262,364,347
Other Non Current Financial Assets	14	15,000,000	15,000,000	15,000,000	15,000,000
		6,028,226,137	7,053,753,448	4,360,426,939	6,807,562,844
Current Assets					
Inventories	16	11,949,201,666	8,902,843,065	11,945,887,245	8,902,843,065
Trade and Other Receivables	15	10,230,763,563	5,851,560,792	10,245,581,953	5,944,121,964
Other Current Financial Assets	14	2,321,744,427	1,420,214,564	2,321,744,427	1,420,214,564
Cash and Short Term Deposits	18	1,309,100,964	577,920,718	1,308,600,954	571,200,865
		25,810,810,620	16,752,539,139	25,821,814,579	16,838,380,458
Assets held for Sale	27.2	10,470,029,735	9,228,413,602	362,671,663	361,144,336
Total Assets		42,309,066,492	33,034,706,189	30,544,913,181	24,007,087,638
EQUITY AND LIABILITIES					
Equity					
Stated Capital	19	500,869,225	218,500,000	500,869,225	218,500,000
Other Components of Equity	20	639,360,133	639,360,133	464,612,254	464,612,254
Retained Earnings		11,663,859,983	8,613,288,309	10,642,226,434	8,429,809,895
Equity Attributable to Equity Holders of the Parent		12,804,089,341	9,471,148,442	11,607,707,913	9,112,922,149
Reserves of a disposal group held for sale		347,573,105	261,511,347		-
Non-Controlling Interests		1,216,340,256	1,001,373,172	-	-
Total Equity		14,368,002,702	10,734,032,961	11,607,707,913	9,112,922,149
Non-Current Liabilities					
Interest Bearing Borrowings	21	2,607,166,658	1,164,400,000	1,842,166,658	1,164,400,000
Lease liabilities	27.1	2,076,887,208	1,594,535,258	2,076,887,208	1,594,535,258
Deferred Tax Liabilities	6.5	73,149,617	66,307,821	-	-
Employee Benefits Liabilities	23	304,562,980	305,802,093	304,562,980	305,802,093
		5,061,766,463	3,131,045,172	4,223,616,846	3,064,737,351
Current Liabilities					
Warranty Provision	22	442,234,057	348,548,930	442,234,058	348,548,931
Trade and Other Payables	24	10,315,296,210	9,027,569,492	10,212,316,893	8,922,784,939
Income Tax Liabilities		326,358,973	349,317,200	326,358,973	349,315,276
Lease liabilities	27.1	619,135,867	598,008,253	619,135,867	598,008,253
Interest Bearing Borrowings	21	3,132,887,788	1,610,770,739	3,113,542,631	1,610,770,739
		14,835,912,895	11,934,214,614	14,713,588,422	11,829,428,138
Liabilities directly associated with assets held for sale	27.2	8,043,384,432	7,235,413,442	-	-
Total Equity and Liabilities		42,309,066,492	33,034,706,189	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 (Chief Financial Officer)

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

Aban Pestonjee (Chairperson)

Behman Perstonjee (Managing Director)

The Accounting Policies and notes on pages 69 to 157 form an integral part of these financial statements.

17th June 2022
Colombo

STATEMENT OF CHANGES IN EQUITY

Group	Attributable to the Equity Holders of the Parent							
	Stated Capital LKR	Revaluation Reserve LRK	Other Reserves LKR	Retained Earnings LKR	Total LKR	Non-Controlling Interest LKR	Reserves of Disposal Held for Sale	Total Equity LKR
Balance as at 31 March 2020	218,500,000	539,801,649	133,669,250	7,214,664,329	8,106,635,228	896,175,032	-	9,002,810,260
Net Profit for the Year	-	-	-	1,841,267,407	1,841,267,407	144,413,779	-	1,985,681,186
Other Comprehensive Income		169,962,391		(10,980,287)	158,982,104	14,272,191	-	173,254,295
Total Comprehensive Income	-	169,962,391	-	1,830,287,120	2,000,249,511	158,685,970	-	2,158,935,481
Transfers to/(from) during the year	-	-	57,438,190	(57,438,190)	-	-	-	-
Disposal of Subsidiary	-	-	-	-	-	(53,487,830)	-	(53,487,830)
Dividend Paid	-	-	-	(374,224,950)	(374,224,950)	-	-	(374,224,950)
Reserves of disposal group held for sale	-	(70,403,907)	(191,107,440)	-	(261,511,347)	-	261,511,347	-
Balance as at 31 March 2021	218,500,000	639,360,133	-	8,613,288,309	9,471,148,442	1,001,373,172	261,511,347	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	639,360,133	-	12,192,276,666	13,050,136,799	1,218,840,256	261,511,347	14,530,488,402
Reserve Capitalization	282,369,225	-	-	(282,369,225)	-	-	-	-
Disposal of Subsidiary	-	-	-	-	-	(2,500,000)	-	(2,500,000)
Transfers to / (From) During the year		86,061,758	-	(86,061,758)	-	-	-	-
Dividend Paid	-	-	-	(159,985,700)	(159,985,700)	-	-	(159,985,700)
Reserves of disposal group held for sale	-	(86,061,758)	-	-	(86,061,758)	-	86,061,758	-
Balance as at 31 March 2022	500,869,225	639,360,133	-	11,663,859,983	12,804,089,341	1,216,340,256	347,573,105	14,368,002,702

Company	Stated Capital LKR	Revaluation Reserve LRK	Other Reserves LKR	Retained Earnings LKR	Total Equity LKR
Balance as at 31 March 2020	218,500,000	338,394,043	-	5,730,278,834	6,287,172,877
Net Profit for the Year	-	-	-	1,837,368,059	1,837,368,059
Other Comprehensive Income	-	126,218,211	-	(10,688,475)	115,529,736
Total Comprehensive Income	-	126,218,211	-	1,826,679,584	1,952,897,795
Dividend Paid	-	-	-	(374,224,950)	(374,224,950)
Merger Reserves Transferred From Abans Retail (Pvt) Ltd	-	-	-	1,247,076,427	1,247,076,427
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

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 69 to 157 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 March

	Note	Group 2022 LKR	Group 2021 LKR	Company 2022 LKR	Company 2021 LKR
Cash Flows From/(Used in) Operating Activities					
Profit before Tax from Continuing Operation		3,279,420,779	2,393,715,973	3,235,080,062	2,519,305,380
Profit before Tax from Discontinued Operation	27.1	676,973,933	525,871,064	-	-
		3,956,394,712	2,919,587,036	3,235,080,062	2,519,305,380
Adjustments for:					
Depreciation - Property Plant & Equipment	8	193,235,636	162,650,335	177,459,818	150,080,495
Change in Fair Value of Investment Properties	9.1	(43,347,613)	(12,819,088)	(43,347,613)	(12,819,088)
Amortization of Intangible Assets & Prepaid Rent	11.1	11,950,455	20,533,643	6,034,799	12,635,591
Change in Fair Value of Quoted Shares		(180,000)	174,045	(180,000)	174,045
Income from Investments		(26,015,604)	(573,132)	(32,344,521)	(3,433,012)
Profit on Disposal of Assets		(2,365,176)	(2,473,403)	(2,365,176)	1,072,529
Depreciation of right-of-use assets	27.1	766,182,323	564,234,881	722,685,002	523,146,089
Gain/ (Loss) on Investment Diposal		-	(78,150)	-	(79,895,988)
NCI of Disposed Subsidiaries		(2,500,000)	(53,487,830)	-	-
Finance Costs	5.3	550,724,189	755,825,282	550,724,189	745,133,060
Share of results from Associate	13.4	(50,023,232)	(122,214,346)	-	-
Share of results from Joint Venture	13.4	64,843,315	155,164,006	-	-
Provision for Warranty	22	278,143,018	219,017,200	278,143,018	219,813,184
Short term Leases and Variable Lease payments	27	-	1,200,785	-	1,200,785
Impairment provision for Trade & Other Receivables	15	333,342,618	(324,944,197)	333,215,108	(336,707,560)
Impairment provision for Inventories	16	83,670,098	3,459,893	83,670,098	2,563,167
Employee Benefit Obligation Transferred	23	(2,091,772)	835,571	(2,091,772)	835,571
Provision for Employee Benefits Liabilities	23	50,483,779	59,535,592	47,517,799	52,953,932
Operating Profit before Working Capital Changes		6,162,446,745	4,345,628,123	5,354,200,811	3,796,058,180
(Increase)/Decrease in Inventories		(3,131,028,699)	(1,335,788,226)	(3,126,714,278)	(1,343,537,390)
Decrease in Trade and Other Receivables		(2,156,777,301)	2,926,832,210	(1,543,995,479)	2,505,463,596
Decrease in Trade and Other Payables		828,485,384	3,971,460,469	1,268,117,931	4,906,185,788
Cash Generated from Operations		1,703,126,129	9,908,132,576	1,951,608,984	9,864,170,174
Finance Cost Paid		(272,745,823)	(516,804,431)	(306,524,855)	(518,005,215)
Employee Benefits Liabilities Paid	23	(22,453,952)	(19,960,782)	(22,453,952)	(18,442,193)
Warranty Charges Paid	22	(184,457,891)	(125,507,346)	(184,457,891)	(125,507,347)
Income Tax Paid		(949,547,380)	(186,906,165)	(690,290,003)	(74,874,279)
Net Cash Flows Generated/ (Used in) Operating Activities		273,921,083	9,058,953,851	747,882,283	9,127,341,140
Cash Flows from / (Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	8	(1,176,837,061)	(156,226,303)	(177,497,220)	(151,800,178)
Acquisition of Intangible Assets	11	(203,158)	(14,452,809)	(203,158)	(2,036,540)
Proceeds from Sale of Property, Plant and Equipment		13,739,094	19,306,656	13,738,084	9,450,639
Proceeds from/ Investment in Other Investments		(2,044,425,416)	(1,207,080,031)	(901,349,863)	(1,415,906,164)
Dividend Received		33,374,810	573,132	32,344,521	3,433,012
Proceeds From disposal of Subsidiaries	28	6,136,000	70,620,000	(75,000,010)	70,620,000
Proceeds From disposal of Associates	13.4	-	19,201,603	-	19,201,603
Investments in Associates	13.4	-	(51,371,462)	-	(51,371,462)
Disposal proceeds/ (Investments) In Joint Ventures	13.4	-	518,000,000	-	-
Securities Purchased under Repurchase Agreement		687,186,533	(663,092,535)	-	-
Net Cash Flows Generated/ (Used in) Investing Activities		(2,481,029,199)	(1,464,521,749)	(1,107,967,646)	(1,518,409,090)

STATEMENT OF CASH FLOWS

Year ended 31 March

	Note	Group 2022 LKR	Group 2021 LKR	Company 2022 LKR	Company 2021 LKR
Cash Flows from (Used in) Financing Activities					
Lease Rentals Paid	27.1	(940,070,325)	(696,919,812)	(888,180,418)	(645,472,784)
Proceeds from Import Financing Loans	21.	21,678,213,080	17,228,070,740	21,678,213,080	17,228,070,740
Repayment of Import Financing Loans	21.	(20,627,754,730)	(22,934,650,717)	(20,627,754,730)	(22,934,650,717)
Proceeds from Bank Loans	21.	8,819,244,883	2,523,799,000	8,054,244,883	2,523,799,000
Repayment of Bank Loans	21.	(7,073,006,655)	(4,217,532,581)	(6,910,827,623)	(3,931,733,322)
Proceeds from Commercial Papers	21.	46,484,906	549,318,868	46,484,906	502,970,629
Repayment of Commercial Papers	21.	299,506,825	(521,505,259)	(44,936,750)	(521,505,259)
Repayment of Debentures - Listed - Unsecured	21.	(33,904,310)	(9,071,466)	(33,904,310)	(9,071,466)
Proceeds from Securitization	21.	997,030,982	514,446,883	-	-
Dividends Paid	7.2	(159,985,700)	(374,224,950)	(159,985,700)	(374,224,950)
Net Cash Flows Used in Financing Activities		3,005,758,957	(7,938,269,294)	1,113,353,338	(8,161,818,129)
Net Increase/(Decrease) in Cash and Short Term Deposits		798,650,841	(343,837,192)	753,267,975	(552,886,079)
Cash and Short Term Deposits at the beginning of the Year 18	18	640,499,214	984,336,406	538,404,444	1,091,290,523
Cash and Short Term Deposits at the end of the Year	18	1,439,150,055	640,499,214	1,291,672,419	538,404,444
Analysis of cash and cash equivalents					
Cash in hand and at bank	18.1	1,309,100,964	577,920,718	1,308,600,954	571,200,865
Bank Overdraft	18.2	(36,273,692)	(32,796,421)	(16,928,535)	(32,796,421)
Cash & Cash equivalents attributable to Continuing Operations		1,272,827,272	545,124,297	1,291,672,419	538,404,444
Cash & Cash equivalents attributable to Discontinued Operations		166,322,783	95,374,917	-	-
Cash and cash equivalents at the end for the purpose of statement of cash flow		1,439,150,055	640,499,214	1,291,672,419	538,404,444

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 69 to 157 form an integral part of these financial statements.

Abans PLC and Its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March

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 2022 was 1850 (2021 - 1,945)

1.2 Consolidated Financial Statements

The consolidated financial statements of Abans PLC, as at and for the year ended 31 March 2022, encompasses the Company, its sub sidiaries (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 31 March 2022 is Abans Retail Holdings (Pvt) Ltd and the ultimate parent of the Company is Abans International (Pvt) Ltd. On 29 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 31 March 2022 were authorized for issue in accordance with a resolution of the board of directors on the 17th June 2022.

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 electrome chanical 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.

Other Subsidiaries

Apart from the Abans Finance PLC, AB Manufacturing (Pvt) Ltd is the other subsidiary in the group which was formed during the year and is yet to start its business operations. During the year Company has disposed its shares of AB Technologies (Pvt) Ltd and A.B. Suncity (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. Following the disposal of AB Suncity (Pvt) Ltd, the group derecognised Colombo City Centre Partners (Pvt) Ltd.

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 Polices 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 except for below. The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to SLFRS 16 - COVID – 19 Related Rent Concessions

The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 Pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from Covid-19 related rent concession the same way it would account for the change under SLFRS16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 28 June 2021, CA Sri Lanka extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021

The amendment applies to annual reporting periods beginning on or after 01 June 2020 with early application permitted. However, the group has elected not to apply the practical expedient given above and continued to assess such lease concession for lease modifications.

The following amendments and improvements do not expect to have a significant impact on the Group's financial statements.

- Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 – Interest Rate Benchmark Reform (Phase 1 & 2)

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.

2.1.4 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2022, 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.

While the impact of Sri Lanka's current political and socio-economic situation occurs to be adverse, the timely strategic initiatives taken by the Group has enabled the business to be more resilient during these tough market conditions.

Strong market share, diversity of our portfolio, cost management, profitability, the ability to defer non-essential capital expenditure, strong gearing position, strong relationship with financial institutions and the relationship with our principals are likely to enable resilience. The post pandemic era and 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.

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

Abans Group do not anticipate any significant change or impairment in fair-values of the assets in the Balance Sheet due to Pandemic 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 2022. 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.

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.

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, char acteristics 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 com ponents, 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.

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 ma turity under LKAS 39 is also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash pay ments 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 prepayments, 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.

2.3.5.3 **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.

2.3.5.4 **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.

2.3.5.5 **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.

2.3.5.6 **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.

2.3.5.7 **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:

- 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 ac counting 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.

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 10.1.2.

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 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 pro ceeds 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 op erating 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 instru ments 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 com pound 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.

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 2020, 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 2020/2021.

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.

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 as 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

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the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

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 cheduled 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 method are summarised below.

Stage 1 : The 12mECL is calculated as the portion of LTECLs that represent the ECLs that represent the ECLs that result from default events on a financial instrument that are possible with in 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.

Stage2 : 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 26.5.1. 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.

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 trans action'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 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

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Work-in-Progress	-	At the cost of direct materials, direct labor and an appropriate proportion of fixed production over heads 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 rec ognised 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.

Abans PLC and Its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March

This is not an externally funded defined benefit plan.

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.

Additional disclosures are provided in Note 28. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

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.

However, SLFRS 17 will be neither affected nor applied to the Group since Group has not been engaged in Insurance contracts.

Amendments to LKAS 37 - Onerous Contracts – Costs of Fulfilling a Contract

In March 2021, the ICASL adopted amendments to LKAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. However, the amendment is not expected to have a material impact on the consolidated financial statements of the group in the foreseeable future.

Amendments to LKAS 16 - Proceeds before Intended Use

In March 2021, the ICASL adopted amendments to LKAS16-Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. However, the amendment is not expected to have a material impact on the consolidated financial statements of the group in the foreseeable future.

Amendments to SLFRS 3 - Updating a reference to conceptual framework

In 23 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to SLFRS 3 Business Combinations - Updating a Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements

An exception was also added to the recognition principle of SLFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of LKAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, it was decided to clarify existing guidance in SLFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. However, the amendment is not expected to have a material impact on the consolidated financial statements of the group in the foreseeable future.

The following amendments to the existing accounting standards which have been issued by the Institute of Chartered Accountants of Sri Lanka are also effective for annual periods beginning on or after 1 January 2022.

- SLFRS 1 First-time Adoption of Sri Lanka Financial Reporting Standards – Subsidiary as a first time adopter
- SLFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial
- Liabilities
- LKAS 41 Agriculture – Taxation in fair value measurements

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

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 8.14 and investment properties in Note 9.2.

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 dis posing 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) Consolidation of a subsidiary with less than 50% ownership

As at 31 March 2021, the Company held 49.67% in its subsidiary, Abans Finance PLC, which is a Public company listed in the Colombo Stock Exchange since June 2011. Prior to the right issue of shares of Abans Finance PLC in April 2017 and share disposal in July 2017, the Company held 71.6% in Abans Finance PLC and accounted it as a subsidiary. Subsequent to the right issue of shares and disposal of shares, the Company's equity ownership in Abans Finance PLC decreased to 49.67% as at 31 March 2019, which was less than 50% ownership.

The Company continued to consolidate Abans Finance PLC for the year ended 31 March 2021. Management exercised judgement and determined that Abans Finance PLC remains as a subsidiary on the basis of De Facto Control. De Facto Control is established after due consideration of the written consent with another share holder.

i) **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

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

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. During the year Financial Service Segment is classified as Held for Sale, hence the results from financial services are disclosed as Discontinued operations

	Trading		Financial Services		Group	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Revenue	42,816,093,584	37,805,391,199	2,100,182,143	1,816,547,581	44,916,275,727	39,621,938,780
Segment Results (Operating Profit)	3,585,950,567	3,109,697,816	753,485,259	533,571,678	4,339,435,826	3,643,269,494
Finance Costs	(550,724,189)	(745,133,060)	(13,544,000)	(10,692,222)	(564,268,189)	(755,825,282)
Finance Income	85,792,004	49,009,154	-	-	85,792,004	49,009,154
Change in Fair Value of Investment Properties	43,347,613	12,819,088	-	-	43,347,613	12,819,088
Profit before Income Tax	3,164,365,995	2,426,392,998	739,941,259	522,879,456	3,904,307,254	2,949,272,454
VAT on Financial Services	(7,195,603)	(9,690,296)	(124,703,277)	(95,713,451)	(131,898,880)	(105,403,747)
Income Tax Expense	(598,355,294)	(688,527,048)	(184,929,414)	(139,975,056)	(783,284,708)	(828,502,104)
Profit for the year	2,558,815,098	1,728,175,654	430,308,568	287,190,949	2,989,123,666	2,015,366,603
Consolidation Adjustment	728,828,809	92,457	2,064,226	3,171,786	730,893,035	3,264,243
Share of Profit of Equity Accounted Investee (Net of Tax) -					50,023,232	122,214,346
Profit for the year	3,287,643,907	1,728,268,111	432,372,794	290,362,735	3,770,039,933	2,140,845,192

Assets and Liabilities	Manufacturing		Trading		Financial Services		Group	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Non Current Assets	976,882,658	-	5,051,343,477	7,053,753,448	-	-	6,028,226,135	7,053,753,448
Current Assets	113,996,042	-	25,698,341,905	16,752,539,139	10,468,502,408	9,228,413,602	36,280,840,355	25,980,952,741
Total Assets	1,090,878,700	-	30,749,685,384	23,806,292,587	10,468,502,408	9,228,413,602	42,309,066,492	33,034,706,189
Non-Current Liabilities	765,000,000	-	4,296,766,463	3,131,045,172	-	-	5,061,766,463	3,131,045,172
Current Liabilities	250,878,690	-	14,585,034,205	11,934,214,614	8,043,384,432	7,235,413,442	22,879,297,327	19,169,628,056
Total Liabilities	1,015,878,690	-	18,881,800,668	15,065,259,786	8,043,384,432	7,235,413,442	27,941,063,790	22,300,673,228
Other Disclosures								
Amortization of Intangible Assets	-	-	6,034,799	12,537,644	5,915,656	7,996,000	11,950,455	20,533,644
Depreciation for the Year	-	-	141,392,551	144,646,175	15,775,816	18,004,160	157,168,367	162,650,335
Purchase of Property, Plant and Equipment	976,882,658	-	177,497,220	151,800,178	22,457,183	4,426,125	1,176,837,061	156,226,303
Purchase of Intangible Assets			203,158	1,929,808	-	12,523,001	203,158	14,452,809
Expenses on Employee Benefit Liability			48,204,969	52,953,933	5,261,365	6,581,662	53,466,335	59,535,595
Deferred Tax Assets			325,178,261	262,364,347	-	-	325,178,261	262,364,347
Deferred Tax Liabilities			73,149,617	66,307,821	-	-	73,149,617	66,307,821
Summarised Statement of Cash Flows								
Net Cash flow from operating activities	(3,314,421)	-	2,296,002,290	8,822,191,677	(592,876,161)	236,762,174	(1,699,811,708)	9,058,953,851
Net Cash flow from investing activities	(1,022,321,160)	-	(1,669,685,470)	(1,663,555,064)	(811,343,729)	199,033,315	(3,503,350,359)	(1,464,521,749)
Net Cash flow from financing activities	1,006,790,434	-	1,870,060,293	(8,187,548,753)	1,135,698,663	249,279,459	4,012,549,390	(7,938,269,294)
Net Increase/(Decrease) in Cash and Cash Equivalents	(18,845,147)	-	2,496,377,114	(1,028,912,140)	(268,521,227)	685,074,948	(2,209,010,739)	(343,837,192)

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 under SLFRS 9 is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial instruments designated at FVPL and FVOCI.

5.1 Revenue from Contract with customers	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Gross Revenue	42,816,093,584	37,805,391,199	42,818,157,810	37,809,532,938
Net Revenue	42,816,093,584	37,805,391,199	42,818,157,810	37,809,532,938

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.

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Dividend Income	26,015,604	573,132	32,344,521	3,433,012
Commission Income	50,195,130	54,978,275	46,454,213	58,719,191
Rent Income	10,916,580	17,636,169	10,916,580	17,636,169
Sundry Income	120,518,927	83,763,597	119,382,927	87,460,455
Gain/ (Loss) on Investment Disposal	-	(14,307)	1,136,000	79,895,988
Profit from Disposal of Assets	2,365,176	(1,072,529)	2,365,176	(1,072,529)
Fines and Surcharges	7,839,428	18,065,776	7,839,428	18,065,776
	217,850,845	173,930,113	220,438,845	264,138,062

* Gain/(Loss) from Investment disposal comprise the disposal of AB Technologies (Pvt) Ltd & AB Sun City (Pvt) Ltd. (Note 28)

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.

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Interest Expense on Overdrafts	1,070,507	1,095,006	1,070,507	1,095,006
Interest Expense on Borrowings	309,091,328	497,259,988	309,091,328	497,259,988
Interest Expenses on Lease Liabilities	209,312,354	215,530,044	209,312,354	215,530,044
Debenture Interest	31,250,000	31,248,022	31,250,000	31,248,022
	550,724,189	745,133,060	550,724,189	745,133,060

5.4 Finance Income	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Interest Income on Debtors	-	3,740,303	-	3,740,303
Interest Income on Staff Loans	1,770,528	1,519,096	1,770,528	1,519,096
Interest Income on Bank Deposits	84,021,476	43,749,755	84,021,476	43,749,755
	85,792,004	49,009,154	85,792,004	49,009,154

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	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Employees Benefits including the following				
- Defined Benefit Plan Costs - Gratuity	48,204,969	52,953,933	48,204,969	52,953,933
- Defined Contribution Plan Costs - EPF & ETF	343,075,449	316,165,490	343,075,449	316,165,490
Amortization of Intangible Assets	6,034,799	12,635,591	6,034,799	12,635,591
Director's Emoluments	63,808,130	58,646,700	63,808,130	58,646,700
Legal Fees	6,666,072	3,640,034	6,666,072	3,640,034
Donation	1,024,475	823,990	1,024,475	823,990
Staff Cost	1,406,220,239	1,244,792,057	1,406,220,239	1,244,792,057
Amortisation of Right of use Assests	732,936,020	523,146,089	732,936,020	523,146,089
Depreciation	141,392,551	177,459,818	141,392,551	177,459,818
Exchange (Gains)/Loss	(129,777,725)	122,619,689	(129,777,725)	122,619,689
Auditors' Fees	2,024,654	1,819,555	2,024,654	1,819,555
Transport Costs	18,182,506	13,779,007	18,182,506	13,779,007
Advertising Costs	677,562,656	441,150,574	677,562,656	441,150,574

* Group 2021 figures have been reclassified to exclude balances from discontinued operations.

6. **INCOME TAX**

6.1 **Statement of Profit or Loss**

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Current Income Tax:				
Current Tax Expense for the Year (Note 6.3)	684,090,029	640,527,611	684,090,029	640,527,611
Under Provision of Taxes in respect of Prior Year	(23,951,932)	38,300,389	(23,951,932)	38,300,389
Deferred Tax:				
Deferred Taxation Charge/(Reversal)	(61,782,803)	9,699,048	(68,624,599)	(6,580,975)
Income Tax Expense Reported in the Statement of Profit or Loss	598,355,294	688,527,048	591,513,498	672,247,025

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	-	15,121,975	-	15,121,975
Actuarial (Gain)/Loss on Employee Benefits Liabilities	5,810,685	(3,375,308)	5,810,685	(3,375,308)
Income Tax Charged Directly to Other Comprehensive Income	5,810,685	11,746,667	5,810,685	11,746,667

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

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Accounting Profit (Profit before Tax) from Continuing Operations	3,279,420,779	2,549,957,067	3,235,080,062	2,519,305,380
Share of results of equity accounted investees (net of tax)	(50,023,232)	(122,214,346)	-	-
Other consolidation adjustments	5,682,516	92,639,747	-	-
Income not Subject to Tax	(559,400,710)	(140,651,701)	(559,400,710)	(140,651,701)
Adjusted accounting profit chargeable to income taxes from Continuing Operations	2,675,679,353	2,379,730,767	2,675,679,352	2,378,653,679
Accounting Profit (Profit before Tax) from Discontinued Operations	739,941,259	522,879,456	-	-
Other consolidation adjustments	(124,703,277)	(95,713,451)	-	-
Adjusted accounting profit chargeable to income taxes from Discontinued Operations	615,237,982	427,166,005	-	-
Adjusted accounting profit chargeable to income taxes	3,290,917,335	2,806,896,772	2,675,679,352	2,378,653,679
Aggregate Disallowed Items	1,709,243,027	1,950,834,191	1,366,604,208	1,152,356,342
Aggregate Allowable Expenses	(1,557,003,672)	(1,653,019,802)	(1,239,396,514)	(944,444,125)
Taxable income	3,443,156,690	3,104,711,161	2,802,887,046	2,586,565,896
Other Sources of Income Liable for Tax	119,237,116	125,039,213	82,893,729	128,905,145
Business Profit/(Loss)	3,562,393,806	3,229,750,374	2,885,780,775	2,715,471,041
Taxable Income	3,562,393,806	3,229,750,374	2,885,780,775	2,715,471,041
Tax Loss Utilized	-	-	-	-
Total Assessable Income	3,562,393,806	3,229,750,374	2,885,780,775	2,715,471,041
Tax Rates at -				
24%	834,580,910	755,706,551	672,193,729	632,538,012
14%	11,896,300	-	11,896,300	-
10%		7,989,599		7,989,599
	846,477,210	763,696,150	684,090,029	640,527,611
Current Tax Expense for the Year from Continuing Operations	684,090,029	640,527,611	684,090,029	640,527,611
Current Tax Expense for the Year from Discontinued Operations	162,387,182	123,168,539	-	-
	846,477,211	763,696,150	684,090,029	640,527,611

6. **INCOME TAX (Contd...)**

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

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Adjusted accounting profit chargeable to income taxes from Continuing Operations	2,675,679,353	2,379,730,767	2,675,679,352	2,378,653,679
Adjusted accounting profit chargeable to income taxes from Discontinued Operations	615,237,982	427,166,005		
	3,290,917,335	2,806,896,772	2,675,679,352	2,378,653,679
Tax effect on chargeable profits	781,624,828	673,655,225	633,967,712	570,876,883
Tax effect on non deductible expenses	409,732,873	468,200,206	327,499,556	276,565,522
Tax effect on deductions claimed	(373,497,452)	(396,724,752)	(297,271,734)	(226,666,590)
Tax effect on Other sources of income	28,616,908	18,823,973	19,894,495	19,751,796
Under/(over) provision for previous years	(23,951,932)	38,300,389	(23,951,932)	38,300,389
Net tax effect of unrecognised deferred tax assets for the year	39,240,516	26,247,064	(68,624,599)	(6,580,975)
Tax expense	783,284,708	828,502,104	591,513,498	672,247,025
Income Tax Expense Reported in the Statement of Profit or Loss	598,355,294	688,527,048	591,513,498	672,247,025
Income tax attributable to Dicontinued Operations	184,929,414	139,975,056	-	-
	783,284,708	828,502,104	591,513,498	672,247,025

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

6.5.1 **Reconciliation of Deferred Tax Asset**

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Balance as at 01 April	(262,364,347)	(296,110,025)	(262,364,347)	(267,530,039)
Charge/(Release) Made during the Year	(62,813,914)	5,165,692	(62,813,914)	5,165,692
(-) Assets Held for Sales	-	28,579,986	-	-
Balance as at 31 March	(325,178,261)	(262,364,347)	(325,178,261)	(262,364,347)

6.5.2 **Reconciliation of Deferred Tax Liability**

	Group 2022 LKR	Group 2021 LKR	Company 2022 LKR	Company 2021 LKR
Balance as at 01 April	66,307,821	50,027,798	-	-
Charge Made during the Year	6,841,796	16,280,023	-	-
Balance as at 31 March	73,149,617	66,307,821	-	-
Net Deferred Tax Asset	(252,028,644)	(196,056,526)	(325,178,261)	(262,364,347)

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	
	2022 LRK	2021 LRK	2022 LRK	2021 LRK	2022 LRK	2021 LRK
Deferred Tax Liability						
Capital Allowances for Tax Purposes						
- Property, Plant and Equipment & Investment Property	24,271,169	56,032,867	-	-	(31,761,698)	(13,371,758)
- Intangible Assets	393,257	1,792,851	-	-	(1,399,594)	(3,266,543)
Revaluation of Land						
- Property Plant & Equipment	123,317,640	142,373,640	-	29,206,773	(19,056,000)	(7,582,522)
- Investment Property	9,228,000	60,707,634	-	-	(51,479,634)	(15,107,679)
Revaluation of Building						
- Property Plant & Equipment	51,473,918	32,417,918	-	4,971,202	19,056,000	799,140
- Investment Property	1,175,427	14,689,783	-	-	(13,514,356)	(3,671,617)
Undistributed share of profit of Associate	73,149,617	66,307,821	-	-	6,841,796	16,280,023
Deferred Tax Liabilities from Discountinued Operations	(35,600,839)	(32,777,005)	-	(19,056,000)	(2,823,834)	10,162,052
	247,408,189	341,545,509	-	15,121,975	(94,137,320)	(15,758,904)
Deferred Tax Assets						
Employee Benefits Liabilities	(79,147,992)	(79,876,084)	6,381,955	(3,979,318)	(5,653,863)	1,334,555
Warranty Provision	(106,136,174)	(83,651,743)	-	-	(22,484,431)	(12,463,677)
Inventory Provision	(76,454,356)	(96,535,180)	-	-	20,080,824	16,806,883
Impact of Adoption of SLFRS 09	-		-	-	-	-
ROU Assets & Lease Liabilities	(133,793,395)	(129,010,030)	-	-	(4,783,365)	12,108,469
Provision for Impairment on Trade Receivables	(126,207,395)	(191,121,143)	-	-	64,913,748	18,841,008
Deferred Tax Assets from Discountinued Operation	22,302,479	42,592,145	(571,270)	604,010	(19,718,396)	(11,169,286)
	(499,436,833)	(537,602,035)	5,810,685	(3,375,308)	32,354,517	25,457,952
Carried forward Tax Loss	-	-	-	(694,379)	-	-
	-	-	-	(694,379)	-	-
Deferred Tax Charge/(Reversal)			5,810,685	11,052,288	(61,782,803)	9,699,048
Net Deferred Tax Liability/(Asset)	(252,028,644)	(196,056,526)				

6. INCOME TAX (Contd…)

6.5.2.2 Company

Company	Statements of Financial position 2022 LRK	Statements of Financial position 2021 LRK	Statements of Other Comprehensive Income 2022 LRK	Statements of Other Comprehensive Income 2021 LRK	Statement of Profit or Loss 2022 LRK	Statement of Profit or Loss 2021 LRK
Deferred Tax Liability						
Capital Allowances for Tax Purposes						
- Property, Plant and Equipment & Investment Property	7,726,330	42,311,862	-	-	(34,585,532)	(19,008,988)
- Intangible Assets	393,257	1,792,851	-	-	(1,399,594)	(3,266,543)
Revaluation of Land						
- Property Plant & Equipment	123,317,640	123,317,640	-	10,150,773	-	8,216,760
- Investment Property	9,228,000	60,707,634	-	-	(51,479,634)	(15,107,679)
Revaluation of Building						
- Property Plant & Equipment	32,417,918	32,417,918	-	4,971,202	-	799,140
- Investment Property	1,175,427	14,689,783	-	-	(13,514,356)	(3,671,617)
	174,258,572	275,237,688	-	15,121,975	(100,979,116)	(32,038,927)
Deferred Tax Assets						
Employee Benefits Liabilities	(73,095,115)	(73,392,502)	5,810,685	(3,375,308)	(5,513,298)	1,772,286
Warranty Provision	(106,136,174)	(83,651,743)	-	-	(22,484,431)	(12,463,677)
Inventory Provision	(76,454,356)	(96,535,180)	-	-	20,080,824	16,806,883
Impact of Adoption of SLFRS 09	-		-	-	-	-
ROU Assets & Lease Liabilities	(133,793,395)	(129,010,030)	-	-	(4,783,365)	10,477,514
Provision for Impairment on Trade Receivables	(109,957,793)	(155,012,580)	-	-	45,054,787	8,864,946
	(499,436,833)	(537,602,035)	5,810,685	(3,375,308)	32,354,517	25,457,952
Deferred Tax Charge/(Reversal)			5,810,685	11,746,667	(68,624,599)	(6,580,975)
Net Deferred Tax Liability/(Asset)	(325,178,261)	(262,364,347)				

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		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Net Profit Attributable to Ordinary Equity Holders of the Parent				
- From Continuing Activities	2,673,869,882	1,851,739,723	2,636,370,961	1,837,368,059
- From Discountinued Activities	879,613,374	(10,472,316)	-	-
	3,553,483,256	1,841,267,407	2,636,370,961	1,837,368,059
	Number	Number	Number	Number
Ordinary Shares	2,185,000	2,160,000	2,185,000	2,160,000
New Share Split	2,219,119,615	2,219,119,615	2,219,119,615	2,219,119,615
Non Voting Ordinary Shares	-	25,000	-	25,000
	2,221,304,615	2,221,304,615	2,221,304,615	2,221,304,615
Earnings Per Share -Basic / Diluted				
- From Continuing Activities	1.20	0.83	1.19	0.83
- From Discountinued Activities	0.40	(0.00)	-	-

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 earning per share.

7.2

Dividend Per Share - Company/Group	2022		2021	
	per Share	LKR	per Share	LKR
1st Interim Dividend	0.07	159,985,700	0.05	120,175,000
2nd Interim Dividend	-	-	0.05	113,991,450
3rd Interim Dividend	-	-	0.06	140,058,500
	0.07	159,985,700	0.17	374,224,950

The board of directors of the company neither paid any final dividend nor recommended a final dividend for the previous year & current year.

8. PROPERTY, PLANT & EQUIPMENT

Group

8.1

Gross Carrying Amounts At Cost or Valuation	Balance As at 01 April 2021 LKR	Additions LKR	Disposals LKR	Assets Held for Sale LKR	Transfers LKR	Balance As at 31 March 2022 LKR
Land	714,833,440	86,554,000	-	-	(146,130,000)	655,257,440
Buildings	142,821,294	-	-	-	(10,453,050)	132,368,244
Buildings Improvements	126,015,029	1,131,150	-	-	-	127,146,179
Furniture and Fittings	505,271,033	90,378,603	(11,550,497)	(8,903,718)	(706,201)	574,489,220
Office Equipment	226,297,790	28,084,586	(2,226,992)	(2,299,476)	(568,189)	249,287,719
Motor Vehicles	216,593,462	7,720,000	(28,183,062)	-	-	196,130,400
Computer Equipment	246,585,799	25,252,950	(3,277,068)	(1,330,928)	(187,374)	267,043,379
Telephone	4,121,988	388,987	(3,571)	-	-	4,507,404
Service Equipment	14,508,726	21,767,995	-	(20)	143,430	36,420,131
Fixtures & Fittings	19,814,030	2,750,000	-	-	-	22,564,030
Generators	5,637,823	22,949	-	(43,409)	-	5,617,363
Capital Working Progress	-	890,328,658	-	-	-	890,328,658
Plant and Machinery	-	-	-	-	-	-
Total Gross Carrying Amount	2,222,500,414	1,154,379,878	(45,241,190)	(12,577,551)	(157,901,384)	3,161,160,167

8.2

Depreciation & Impairment At Cost or Valuation	Balance As at 01 April 2021 LKR	Charge for the year LKR	Disposals LKR	Assets Held for Sale LKR	Transfers LKR	Balance As at 31 March 2022 LKR
Land	-	-	-	-	-	
Buildings	402,522	25,941,763	-	-	(130,663)	26,213,622
Buildings Improvements	26,040,825	12,008,271	-	-	-	38,049,096
Furniture and Fittings	291,075,946	53,761,583	(8,654,206)	(7,057,164)	(714,609)	328,411,550
Office Equipment	106,580,429	25,152,372	(1,330,814)	(1,806,612)	(504,584)	128,090,791
Motor Vehicles	136,423,945	25,177,674	(21,808,893)	-	-	139,792,726
Computer Equipment	185,576,611	28,390,980	(2,071,205)	(1,190,502)	(65,552)	210,640,332
Telephone	2,690,342	667,243	(3,164)	-	-	3,354,421
Service Equipment	11,242,947	3,692,703	-	-	-	14,935,650
Fixtures & Fittings	1,546,776	2,534,044	-	-	-	4,080,820
Generators	5,338,777	133,185	-	(40,417)	-	5,431,545
Plant and Machinery	-	-	-	-	-	-
Capital Working Progress	-	-	-	-	-	-
Total Depreciation	766,919,120	177,459,818	(33,868,282)	(10,094,695)	(1,415,408)	899,000,553

		2022 LKR	2021 LKR
8.	**PROPERTY, PLANT AND EQUIPMENT (Contd…)**		
8.3	**Net Book Values**		
	At Cost or Valuation		
	Land	655,257,440	714,833,441
	Buildings	106,154,622	142,418,772
	Buildings Improvements	89,097,083	99,974,204
	Furniture and Fittings	246,077,670	214,195,087
	Office Equipment	121,196,928	119,717,361
	Motor Vehicles	56,337,674	80,169,517
	Computer Equipment	56,403,047	61,009,188
	Telephone	1,152,983	1,431,646
	Service Equipment	21,484,481	3,265,779
	Fixtures & Fittings	18,483,210	18,267,254
	Generators	185,818	299,046
	Capital Working Progress	890,328,658	-
	Total Carrying Amount of Property, Plant and Equipment	2,262,159,614	1,455,581,295

Company

8.4	Gross Carrying Amounts At Cost or Valuation	Balance As at 01 April 2021 LKR	Additions LKR	Disposals LKR	Assets Held LKR	Transfers LKR	Balance As at 31 March 2022 LKR
	Land	714,833,442	-	-	-	(146,130,000)	568,703,442
	Buildings	142,417,049	-	-	-	(10,453,050)	131,963,999
	Buildings Improvements	126,015,029	1,131,150	-	-	-	127,146,179
	Furniture and Fittings	500,721,285	90,378,603	(11,550,497)	(8,903,718)	(706,201)	569,939,472
	Office Equipment	223,360,357	28,084,586	(2,226,992)	(2,299,476)	(568,189)	246,350,286
	Motor Vehicles	208,608,865	7,720,000	(28,183,062)	-	-	188,145,803
	Computer Equipment	227,814,166	25,252,950	(3,277,068)	(1,330,928)	(187,374)	248,271,746
	Telephone	4,121,987	388,987	(3,571)	-	-	4,507,403
	Service Equipment	7,007,559	21,767,995	-	(20)	143,430	28,918,964
	Fixtures & Fittings	19,814,030	2,750,000	-	-	-	22,564,030
	Generators	5,637,823	22,949	-	(43,409)	-	5,617,363
	Total Gross Carrying Amount	2,180,351,592	177,497,220	(45,241,190)	(12,577,551)	(157,901,384)	2,142,128,687

8.5 Depreciation & Impairment

At Cost or Valuation	Balance As at 01 April 2021 LKR	Charge for the Year LKR	Disposals LKR	Assets Held LKR	Transfers LKR	Balance As at 31 March 2022 LKR
Buildings	3,697	25,941,763	-	-	(130,663)	25,814,797
Buildings Improvements	26,040,825	12,008,271	-	-	-	38,049,096
Furniture and Fittings	286,659,832	53,761,583	(8,654,206)	(7,057,164)	(714,609)	323,995,436
Office Equipment	103,446,115	25,152,372	(1,330,814)	(1,806,612)	(504,584)	124,956,477
Motor Vehicles	128,440,311	25,177,674	(21,808,893)	-	-	131,809,092
Computer Equipment	166,804,975	28,390,980	(2,071,205)	(1,190,502)	(65,552)	191,868,696
Telephone	2,690,342	667,243	(3,164)	-	-	3,354,421
Service Equipment	3,798,648	3,692,703	-	-	-	7,491,351
Fixtures & Fittings	1,546,776	2,534,044	-	-	-	4,080,820
Generators	5,338,777	133,185	-	(40,417)	-	5,431,545
Total Depreciation	724,770,298	177,459,818	(33,868,282)	(10,094,695)	(1,415,408)	856,851,731

8.6 Net Book Values

At Cost or Valuation	2022 LKR	2021 LKR
Land	568,703,442	714,833,442
Buildings	106,149,202	142,413,352
Buildings Improvements	89,097,083	99,974,204
Furniture and Fittings	245,944,036	214,061,453
Office Equipments	121,393,809	119,914,242
Motor Vehicles	56,336,711	80,168,554
Computer Equipments	56,403,050	61,009,191
Telephone	1,152,982	1,431,645
Service Equipments	21,427,613	3,208,911
Fixtures & Fittings	18,483,210	18,267,254
Generators	185,818	299,046
Total Carrying Amount of Property, Plant and Equipment	1,285,276,956	1,455,581,294

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

8.7 The Lands & Buildings of the Group were revalued on 31 March 2021 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.S Upali Silva (Chartered Independent Valuer).

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 2022 LKR	Net Carrying Amount 2021 LKR
Land	104,748,451	-	104,748,451	185,801,451
Building	56,613,997	(48,918,671)	7,695,326	10,526,026

8.8 During the year Fixed Assets Addition & Cash Payment

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Addition	1,154,379,878	156,226,303	177,497,220	151,800,178
Cash Payment	1,154,379,878	156,226,303	177,497,220	151,800,178

8.9 The amount of borrowing costs capitalised with property, plant and equipment during the year ended 31 March 2022 was Nil. (2021 - 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 69,765,051/- and LKR 69,765,051/- (2021 -LKR 138,029,988/- and LKR 127,133,705/-).

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

	2022	2021
Buildings	20 Years	20 Years
Buildings 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.

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	Range of Estimate for Unobservable Inputs LRK	Valued in 31/03/2021 Valuation LRK
Abans PLC	Freehold Property at Rathmalana				Cost method		
	Land	14.9	P	01	Value per perch of Land	1,200,000	17,880,000
	Building	5,162	sq.ft	01	Value per sq.ft for Building	2,025	10,453,044
Abans PLC	Freehold Property at Liberty Plaza			01	Income method		
	Shopping Block at Liberty Plaza Colombo	435	sq.ft	01	Gross monthly rental Per Sq ft.	250	18,500,000
					Estimated Outgoing Expenses	30.00%	
Abans PLC	Freehold Property at Kandy				Cost method		
	Land	11.094	P	01	Value per perch of Land	13,800,000	153,097,200
	Building	4,415	sq.ft	01	Value per sq.ft for Building	3,600	15,894,000
Abans PLC	Freehold Property at Kalutara				Cost method		
	Land	24.46	P	01	Value per perch of Land	1,115,372	27,282,000
	Building	9,403	sq.ft	01	Value per sq.ft for Building	3,450	32,440,350
Abans PLC	Freehold Property at Gampaha				Cost method		
	Land	17.52	P	01	Value per perch of Land	3,650,000	63,948,000
	Building	724	sq.ft	01	Value per sq.ft for Building	4,615	3,341,250
Abans PLC	Freehold Property at Kurunegala				Cost method		
	Land	50	P	01	Value per perch of Land	2,275,800	113,790,000
	Building	4,300	sq.ft	01	Value per sq.ft for Building	760	3,267,000
Abans PLC	Freehold Property at Rajagiriya				Cost method		
	Land	22	P	01	Value per perch of Land	2,875,000	63,250,000
	Building	3,687	sq.ft	01	Value per sq.ft for Building	1,650	6,083,550
Abans PLC	Freehold Property at Wellawatta				Cost method		
	Land	25.65	P	01	Value per perch of Land	5,000,000	128,250,000
Abans PLC	Freehold Property at Rathmalana				Cost method		
	Land	15.00	P	01	Value per perch of Land	1,200,000	18,000,000
	Building	3,157	sq.ft	01	Value per sq.ft for Building	3,450	10,891,650
Abans PLC	Freehold Property at Rathmalana				Cost method		
	Land	17.1	P	01	Value per perch of Land	1,200,000	20,520,000
	Building	3,690	sq.ft	01	Value per sq.ft for Building	3,250	11,992,500
Abans PLC	Freehold Property at Nawala Road, Nugegoda				Cost method		
	Land	17.45	P	01	Value per perch of Land	6,235,888	108,816,250
	Building	4,925	sq.ft	01	Value per sq.ft for Building	6,000	29,550,000

9 INVESTMENT PROPERTIES

Group/Company

9.1 Carrying Amounts	Balance As at 01 April 2021 LKR	Additions \Transfers LKR	Disposals/ Transfers	Change in Fair Value during the year LKR	Balance As at 31 March 2022 LKR
Land	267,625,000	146,130,000	(267,625,000)	38,450,000	184,580,000
Buildings	70,385,500	10,322,387	(70,385,500)	4,897,613	15,220,000
	338,010,500	156,452,387	(338,010,500)	43,347,613	199,800,000

9.2 Details of Investment Properties Fair Valuation

2022 Locations	Valuer Detail	Valuation Technique	Land (P)	Building a(sq.ft	Range of Estimate for Unobservable Inputs Land	Range of Estimate for Unobservable Inputs Building	Value of Building	Value of Land	Total LKR
Investment Property at Rathmalana	S Upali Silva Chartered Valuer	Market Comparable method	14.9	5,162	1,380,000	2428.90	12,538,000	20,562,000	33,100,000
Investment Property at Wellawatta	S Upali Silva Chartered Valuer	Market Comparable method	25.65	-	6,499,025	-	-	166,700,000	166,700,000
							12,538,000	187,262,000	199,800,000

2021 Location	Valuer Detail	Valuation Technique	Land (P)	Building a(sq.ft	Range of Estimate for Unobservable Inputs Land	Range of Estimate for Unobservable Inputs Building	Value of Building	Value of Land	Total LKR
Investment Property at Kirula Road, Nawala	S Upali Silva Chartered Valuer	Cost method	31	18,164	8,633,065	3,875.00	70,385,500	267,625,000	338,010,500
							70,385,500	267,625,000	338,010,500

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 S Upali Silva independent professional valuer as at 31 March 2022. S Upali Silva. is a specialist in valuing these types of investment properties

9.4 No direct opening expenses incurred for the investment properties at Wellawaththa and Rathmalana. Rental income earned from those investment properties are disclosed in Note 10.2

10. LEASES

10.1 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.

10.1.1 Right of use assets
Lease hold Lands

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
As at 1 April	244,242,422	246,868,685	244,242,422	246,868,685
Depreciation expense	(2,626,263)	(2,626,263)	(2,626,263)	(2,626,263)
As at 31 March	241,616,159	244,242,422	241,616,159	244,242,422

Lease hold Buildings	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
As at 1 April	1,655,001,716	1,613,676,653	1,655,001,716	1,532,426,320
Additions	1,014,553,962	532,721,432	1,014,553,962	508,636,440
Lease Modifications	166,323,328	134,458,782	166,323,328	134,458,782
Depreciation expense	(697,174,378)	(563,364,280)	(697,174,378)	(520,519,826)
Disposal group Held for Sale	-	(62,490,871)	-	-
As at 31 March	2,138,704,629	1,655,001,716	2,138,704,629	1,655,001,716
Total ROU Assets as at 31 March	2,380,320,788	1,899,244,178	2,380,320,788	1,899,244,138

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 2.3.12

10.1.2 Lease liability
Set out below are the carrying amounts of lease liabilities and the movements for the period ended 31 March

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
As at 1 April	2,192,543,511	2,111,129,101	2,192,543,511	2,030,596,124
Additions	917,077,526	478,559,889	917,077,526	456,230,560
Lease Modifications	166,323,328	134,458,782	166,323,328	134,458,782
Accretion of interest	209,735,876	226,222,266	209,735,876	215,530,044
Payments	(789,657,166)	(694,518,243)	(789,657,166)	(644,271,999)
Disposal group Held for Sale		(63,308,284)		-
As at 31 March	2,696,023,075	2,192,543,511	2,696,023,075	2,192,543,511
Current	619,135,867	598,008,253	619,135,867	598,008,253
Non-Current	2,076,887,208	1,594,535,258	2,076,887,208	1,594,535,258
Total lease liability as at 31 March 2022	2,696,023,075	2,192,543,511	2,696,023,075	2,192,543,511

10 . LEASES (Contd….)

The maturity analysis of gross lease liabilities as at 31 March 2021 (Company / Group)

	2022 LKR	2021 LKR
Within 01 Year	871,879,541	754,905,633
01 to 05 Years	1,754,118,271	1,969,809,463
More Than 05 Years	641,487,762	447,000,031
Total	3,267,485,574	3,171,715,127

Following are the amounts recognised in profit or loss for the year ended 31 March

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Depreciation of right-of-use assets	699,800,641	565,990,543	699,800,641	523,146,089
Interest expense on lease liabilities	209,735,876	226,222,266	209,735,876	215,530,044
Expense relating to short turm-leases (included in Administrative Expenses)	-	440,000	-	440,000
Variable lease payments (included in Administrative Expenses)	-	760,785		760,785
Total amount recognised in profit or loss	909,536,517	793,413,594	909,536,517	739,876,918

The following provides information on the variable lease payments, including the magnitude in relation to fixed payments:

	Fixed Payments		Variable Payments		Total	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Group						
Rent Payments	789,657,166	694,518,243	-	760,785	789,657,166	695,279,028
	789,657,166	694,518,243	-	760,785	789,657,166	695,279,028
Company						
Rent Payments	789,657,166	644,271,999	-	760,785	789,657,166	645,032,784
	789,657,166	644,271,999	-	760,785	789,657,166	645,032,784

Sensitivity of Right-of use Assets /Lease Liability to Discount Rate -2022

	Group		Company	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
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

Sensitivity of Right-of use Assets /Lease Liability to Discount Rate -2021

	Group		Company	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
ROU Assets as at 31 March 2021	1,789,780,113	2,010,648,380	1,788,776,210	2,009,644,477
Lease Liability as at 31 March 2021	2,133,847,844	2,254,108,038	2,132,843,941	2,253,104,135
Impact to Profit or Loss for the year ended 31 March 2021	25,881,022	(24,441,860)	25,643,066	(24,203,904)

10. LEASES (Contd….)

10.2 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/- (2021: Rs 7,827,000).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows

	2022 LKR	2021 LKR
Within one year	2,787,480	7,831,800
After one year but not more than five years	-	5,171,040
Total	2,787,480	13,002,840

11. INTANGIBLE ASSETS

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

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
As at 01 April	7,470,214	47,417,467	7,470,214	18,069,265
Acquired during the year	203,158	14,452,809	203,158	2,036,540
Charge for the year	(6,034,799)	(20,533,644)	(6,034,799)	(12,635,591)
Discontinued Subsidiaries	-	(33,866,418)	-	-
As at 31 March	1,638,573	7,470,214	1,638,573	7,470,214

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 exists. The amortisation method is reviewed at each financial year end

12. **INVESTMENTS IN SUBSIDIARIES**

12.1 **Quoted**
Cost

	Effect Holding - % 2022	Effect Holding - % 2021	Number of Shares 2022	Number of Shares 2021	Cost 2022 LKR	Cost 2021 LKR
Abans Finance PLC	49.67	49.67	33,063,877	33,063,877	361,144,336	361,144,336
Assets Held for Sale			(33,063,877)	(33,063,877)	(361,144,336)	(361,144,336)
	-	-	-	-		

12.2 **Non-Quoted**

	Effect Holding - % 2022	Effect Holding - % 2021	Number of Shares 2022	Number of Shares 2021	Cost 2022 LKR	Cost 2021 LKR
AB Technologies (Pvt) Ltd.*	-	100.00	-	500,000	-	5,000,000
AB Manufucturing (Pvt) Ltd	100.00		7,500,001	-	75,000,010	-
A.B. Sun City (Pvt) Ltd.	-	100.00	-	275,168,000	-	2,751,680,000
Less: Impairment*			-	-	-	(5,000,000)
			7,500,001	275,668,000	75,000,010	2,751,680,000
Total Carrying Value of Investments in Subsidiaries			7,500,001	275,668,000	75,000,010	2,751,680,000

* During the year group disposed it's investment in AB Technologies (Pvt) Ltd and AB Sun City (Pvt) Ltd. (Note 27)

12.3 **Market Value**

	Market Valuation 2022 LKR	Market Valuation 2021 LKR
Abans Finance PLC	955,546,045	909,256,618
	955,546,045	909,256,618

13. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

13.1 Investment Details

Investor	Investee/Relationship	Holding - %		Cost		Market Valuation	
		2022	2021	2022	2021	2022	2021
				LKR	LKR	LKR	LKR
Abans PLC	Abans Electricals PLC -Associate	48.00%	48.00%	78,212,351	78,212,351	396,783,587	391,264,187
A.B. Sun City (Pvt) Ltd.	Colombo City Centre Partners (Private) Limited - Associate	-	42.31%	-	2,280,824,062	Not a Listed Company	
				78,212,351	2,359,036,413	396,783,587	391,264,187

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 has a 42% interest in Colombo City Centre Partners (Private) Limited, an Associate carries out mix development project. The group held the associate to it's 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 invest ment in the financial statements are set out below:

During the period, the group derecognised the associate following the disposal of AB sun city (Pvt) Ltd

13.3.3 There are considerations received from other investors as well as Group, which are classified under equity as Consideration Received for Shares.

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

	2022 June LKR	2021 March LKR
Cash and cash equivalents	910,360,812	927,774,937
Current liabilities (excluding trade & other payable	1,189,452,982	1,354,220,822
Non-current liabilities (excluding trade & other payable)	9,508,231,346	9,335,529,341
Finance Cost	139,249,443	370,088,922

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	
	2022	2021	2022	2021	2022	2021
13.4.1 Summarised Statement of Profit or Loss	LKR	LKR	LKR	LKR	LKR	LKR
Revenue	82,131,736	306,379,343	4329,171,211	3,129,717,820	4,411,302,947	3,436,097,163
Operating Expenses	(102,941,030)	(400,767,346)	(4,084,539,455)	(2,896,984,366)	(4,187,480,485)	(3,297,751,712)
Finance Cost	(132,450,919)	(370,088,922)	(110,292,185)	(69,118,331)	(242,743,104)	(439,207,253)
Profit before tax for the Year	(153,260,213)	(464,476,925)	134,339,571	163,615,123	(18,920,642)	(300,861,802)
Tax	-	-	(30,124,505)	1,672,634	(30,124,505)	1,672,634
Profit after Tax	(153,260,213)	(464,476,925)	104,215,066	165,287,757	(49,045,147)	(299,189,168)
Group's Share of Profit/(Loss) for the Year	(64,843,315)	(232,160,814)	50,023,232	71,701,829	(14,820,083)	(160,458,985)
Other Comprehensive Income						
Revaluation Gain from Land and Buildings Net	-	-		70,584,154	-	70,584,154
Actuarial Gains on Employee Benefits Liabilities Net	-	-	12,929,129	(2,891,640)	12,929,129	(2,891,640)
Total Other Comprehensive Income for the Year, Net of Tax	-	-	12,929,129,	67,692,514	12,929,129,	67,692,514
Group's Share of Comprehensive Income for the Year, Net of Tax	-	-	6,205,982	29,365,013	6,205,982	29,365,013

13.4.2 **Summarised Statement of Financial Position**

	Colombo City Centre Partners 2022	Colombo City Centre Partners 2021	Abans Electricals 2022	Abans Electricals 2021	Total 2022	Total 2021
Non Current Assets	-	13,084,075,037	1,852,341,449	1,749,962,392	1,852,341,449	14,834,037,429
Current Assets	-	14,063,666,144	3,488,014,408	2,048,787,545	3,488,014,408	16,112,453,689
Non Current Liabilities	-	(9,335,529,341)	(324,228,957)	(333,170,538)	(324,228,957)	(9,668,699,879)
Current Liabilities	-	(12,421,377,305)	3,257,525,073)	(1,808,790,039)	3,257,525,073)	(14,230,167,344)
Equity	-	5,390,834,535	1,758,601,877	1,656,789,360	1,758,601,877	7,047,623,895
Group's Carrying Amount of the Investment	-	2,280,824,062	844,128,282	795,258,310	844,128,282	3,076,082,372

Summarised Statement of Cash Flow	-					
Net Cash flow from operating activities	-	509,429,268	(47,409,836)	(125,531,298)	(47,409,836)	383,897,970
Net Cash flow from investing activities	-	(631,029,611)	(179,127,432)	(25,735,862)	(179,127,432)	(656,765,473)
Net Cash flow from financing activities	-	(165,750,000)	199,065,750	205,089,607	199,065,750	39,339,607
Net Increase/(Decrease) in Cash and Cash Equivalents	-	(287,350,343)	(27,471,518)	53,822,447	(27,471,518)	(233,527,896)

13.4.3 **Equity Reconciliation**

	Colombo City Centre Partners		Abans Electricals		Total Investment	
	2022	2021	2022	2021	2022	2021
	LKR	LKR	LKR	LKR	LKR	LKR
Carrying Value as at 01 April	2,280,824,062	2,953,988,068	795,258,893	614,835,116	3,076,082,955	3,568,823,184
Investment Made during the Year	-	-	-	122,451,727	-	122,451,727
Disposal Made during the Year	(2,215,980,747)	(441,003,192)	-	(39,769,351)	(2,215,980,747)	(480,772,543)
Share of Profits/(Loss) Net of Tax	(64,843,315)	(232,160,814)	50,023,232	71,701,829	(14,820,083)	(160,458,985)
Revaluation Gain Net of Tax	-	-	-	30,619,406	-	30,619,406
Actuarial Gain /(Loss	-	-	6,205,982	(1,254,393)	6,205,982	(1,254,393)
Dividend Received	-	-	(7,359,206)	(3,325,441)	(7,359,206)	(3,325,441)
Carrying Value as at 31 March	-	2,280,824,062	844,128,901	795,258,893	844,128,901	3,076,082,955
Acquisition of Investment						
Cost of Acquisition	-	-	-	51,371,462	-	51,371,462
Gain on Acquisition	-	-	-	71,080,265	-	71,080,265
Equity value of accquition	-	-	-	122,451,727	-	122,451,727
Disposal of Investment						
Cost of Disposal	(2,215,980,747)	(441,003,192)		(39,769,351)	(2,215,980,747)	(480,772,543)
Sale Proceed	-	518,000,000		19,201,603	-	537,201,603
Disposal Gain / (Loss)	(2,215,980,747)	76,996,808	-	(20,567,748)	(2,215,980,747)	56,429,060

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

Share of Profits/(Loss) Net of Tax	(64,843,315)	(232,160,814)	50,023,232	71,701,829	(14,820,083)	(160,458,985)
Gain on Acquisition	-	-	-	71,080,265	-	71,080,265
Disposal Gain / (Loss)	(2,215,980,747)	76,996,808	-	(20,567,748)	(2,215,980,747)	56,429,060
Loss Transferring to Discontinued Operation	2,280,824,062	155,164,006	-	-	2,280,824,062	155,164,006
	-	-	50,023,232	122,214,346	50,023,232	122,214,346

14. OTHER FINANCIAL ASSETS

	Group		Company	
	2022	2021	2022	2021
	LKR	LKR	LKR	LKR
Non Current				
Measured at Fair Value through Other Comprehensive Income (14.2 & 14.4)	15,000,000	15,000,000	15,000,000	15,000,000
	15,000,000	15,000,000	15,000,000	15,000,000
Current				
"Measured at Fair Value Through Profit or Loss (Note 14.1)"	488,400	308,400	488,400	308,400
Measured at Amortized Cost (Note 14.3)	2,321,256,027	1,419,906,164	2,321,256,027	1,419,906,164
	2,321,744,427	1,420,214,564	2,321,744,427	1,420,214,564

14.1 Fair Value Through Profit or Loss

Group & Company	Value 2022 LKR	Value 2021 LKR
Manufacturing		
Royal Ceramic Lanka PLC	488,400	308,400
	488,400	308,400

14.2 Measured at Fair Value through Other Comprehensive Income

Group			Carrying Value 2022	Carrying Value 2021
Investment in Ordinary Shares	2022	2021	LKR	LKR
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	-	-
Less : Impairment - AB Leisure (Pvt) Limited			(5,000,000)	(5,000,000)
			10,000,000	10,000,000
			15,000,000	15,000,000

14. OTHER FINANCIAL ASSETS (Contd...)

14.3 Measured at Amortized Cost

	Group 2022 LKR	Group 2021 LKR	Company 2022 LKR	Company 2021 LKR
Current				
Fixed Deposits	2,321,256,027	1,419,906,164	2,321,256,027	1,419,906,164
Total Measured at Amortized Cost	2,321,256,027	1,419,906,164	2,321,256,027	1,419,906,164

14.4 Measured at Fair Value through Other Comprehensive Income

Company	No. of Shares 2022	No. of Shares 2021	Carrying Value 2022 LKR	Carrying Value 2021 LKR
Investment in Ordinary Shares				
Abans Restaurant Systems (Pvt) Ltd.		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	10,000,000	10,000,000
AB Leisure (Pvt) Ltd.		500,000	5,000,000	5,000,000
Less : Impairment - AB Leisure (Pvt) Limited			(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

		Group 2022 LKR	Group 2021 LKR	Company 2022 LKR	Company 2021 LKR
Trade Receivables	- Related Parties	1,035,338	979,864	1,035,338	979,864
	- Other	4,373,839,732	4,160,367,836	4,373,839,732	4,160,366,871
Less: Provision for Impairment		(458,157,472)	(645,885,751)	(458,157,472)	(645,885,751)
		3,916,717,598	3,515,461,949	3,916,717,598	3,515,460,984
Other Debtors	- Related Parties	4,772,135,898	1,399,287,910	4,868,526,322	1,492,228,918
	- Other	1,226,351,795	1,337,147,149	1,226,351,795	1,337,019,639
Less: Provision for Impairment		(585,094,763)	(730,709,102)	(585,094,763)	(730,581,592)
		9,330,110,528	5,521,187,906	9,426,500,952	5,614,127,949
Staff Loans		8,406,975	13,575,482	8,406,975	13,575,482
		9,338,517,503	5,534,763,388	9,434,907,927	5,627,703,431
Advances and Prepayments		892,246,060	316,797,404	810,674,026	316,418,533
		10,230,763,563	5,851,560,792	10,245,581,953	5,944,121,964

15. TRADE AND OTHER RECEIVABLES (Contd..)

15.2 Provision for Impairment

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
At the Beginning of the Year	1,376,594,853	1,668,093,087	1,376,467,343	1,615,814,299
Write-off during the year	-	(576,054,516)	-	(576,054,516)
Provision Made During the Period	(333,342,618)	324,944,197	(333,215,108)	336,707,560
Assets Held For Sale	-	(40,387,915)	-	-
At the End of the Year	1,043,252,235	1,376,594,853	1,043,252,235	1,376,467,343

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

Management has taken the appropriate measures to reflects the correct ECL due to the Covid 19 pandamic, as the consequent unexpected deterioration on in credit quality of trade receivables on the end of March 2021 will have a significant impact on the ECL measurement. Economic Factor Adjustment (EFA) updated to reflect the impact of COVID-19 was incorporated in measuring ECL while information used for Probability of Default (PD) and Loss Given Default (LGD) were used without modification due to insufficien cy of updated information relating to borrowers repayment ability, resource constraints and various government relief measures as a result of the outbreak.

15.3 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 Tade 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

Analysis of Trade and Other Receivables on Maximum Exposure to credit Risk as at 31 March 2021

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Trade Receivables	-	-	3,387,637,796	3,387,637,796
Lease Tade Receivable Collective Impairment	2,840,277,895	354,157,126	408,522,476	3,602,957,496
Allowances for Expected Credit Losses	(73,732,304)	(68,232,575)	(1,234,502,463)	(1,376,467,343)
	2,766,545,591	285,924,551	2,561,657,809	5,614,127,949

15.4 Terms & Conditions of Related Party Balances

Terms and Conditions of the outstandng balances of reated 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	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Work in Progress	106,461,786	35,622,282	106,461,786	35,622,282
Trading Stock	12,161,299,697	9,269,450,698	12,157,985,276	9,269,450,698
Real Estate Stock	-	-	-	-
Less: Provision for Slow Moving Inventory (Note 16.1)	(318,559,817)	(402,229,915)	(318,559,817)	(402,229,915)
Total Inventories at the Lower of Cost and Net Realisable Value	11,949,201,666	8,902,843,065	11,945,887,245	8,902,843,065

16.1 Provision for Slow Moving Inventory

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
At the Beginning of the Year	402,229,915	405,689,808	402,229,915	404,793,082
Charge / (Reversal) for the year	(83,670,098)	(3,459,893)	(83,670,098)	(2,563,167)
At the End of the Year	318,559,817	402,229,915	318,559,817	402,229,915

The Group evaluated the componenets with COVID-19 related revenue declines and/or the nature of the inventories carried and assessed whether it was required to adjust the carrying value of the inventory prior to reflecting them at the lower of cost or net realisable value.

17. Reserves of disposal group Held for Sale

	2022 LKR	2021 LKR
Balance as at the Beginning of the Year	261,511,347	-
Reserves of disposal group held for sale	86,061,758	261,511,347
Balance as at the End of the Year	347,573,105	261,511,347

18. CASH AND SHORT TERM DEPOSITS

	Group		Company	
	2022 LKR	**2021 LKR**	**2022 LKR**	**2021 LKR**
18.1 Favourable Cash and Short Term Deposits	1,309,100,964	577,920,718	1,308,600,954	571,200,865
Cash and Bank Balances	1,309,100,964	577,920,718	1,308,600,954	571,200,865
18.2 Unfavourable Cash and Short Term Deposits				
Bank Overdraft (Note 21.1)	(36,273,692)	(32,796,421)	(16,928,535)	(32,796,421)
Total Cash and Short Term Deposits For the purpose of Cash flow Statement	1,272,827,272	545,124,297	1,291,672,419	538,404,444

19. STATED CAPITAL

	2022		2021	
	No of Share	**No of Share**	**No of Share**	**No of Share**
Ordinary Shares *	2,185,000	2,160,000	2,185,000	2,160,000
New Share Split	2,219,119,615	2,219,119,615	2,219,119,615	2,219,119,615
Non Voting Ordinary Shares **	-	25,000	-	25,000
	2,221,304,615	2,221,304,615	2,221,304,615	2,221,304,615

19.1 Rights Preference and restrictions of Classes of Capita

*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	
	2022 LKR	**2021 LKR**	**2022 LKR**	**2021 LKR**
Revaluation Reserve (Note 20.1)	639,360,133	639,360,133	464,612,254	464,612,254
Other Reserves (Note 20.2)	-	-		
	639,360,133	639,360,133	464,612,254	464,612,254

20.1 Revaluation Reserve

	2022 LKR	2021 LKR	2022 LKR	2021 LKR
On: Land and Buildings				
Balance as at the Beginning of the Year	639,360,133	539,801,649	464,612,254	338,394,043
Increase in Revaluation Reserve Net of Tax	-	99,558,484	-	126,218,211
Balance as at the End of the Year	639,360,133	639,360,133	464,612,254	464,612,254

20.2 Other Reserves

	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Statutory Reserve & Investment Fund Reserve (Note 20.2.1)	-	-	-	-
	-	-	-	-

The statutory reserve fund is maintained as required by Finance Companies (Capital Funds) Direction No.1 of 2003 issued by Central Bnak 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 20% of the net profit for the year transferred to Reserve Fund as required by Section 3(b) ii of the said Direction.

As at the reporting the date Other Reserves were transferred to Reserves held for disposal.

21. INTEREST BEARING BORROWINGS

21.1 Group

	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2022 Total LKR	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2021 Total LKR
Import Financing Loans	1,415,300,213	-	1,415,300,213	364,841,863	-	364,841,863
Bank Loans	1,613,014,424	2,357,166,658	3,970,181,082	1,147,363,822	914,400,000	2,061,763,822
Bank Overdrafts (Note 18.2)	36,273,692	-	36,273,692	32,796,421	-	32,796,421
Commercial Papers	59,366,789	-	59,366,789	56,835,763	-	56,835,763
Debentures - Listed - Unsecured	8,932,670	250,000,000	258,932,670	8,932,870	250,000,000	258,932,870
Securitization	-	-	-	-	-	-
	3,132,887,788	2,607,166,658	5,740,054,446	1,610,770,739	1,164,400,000	2,775,170,739

21.1.1 Changes in Interest Bearing Borrowings - Current Year

	As at 1 Aprial 2021 LKR	Obtained during theyear LKR	Repayments during the year LKR	Discontinued Subsidiaries 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	8,819,244,883	(6,910,827,623)	-	-	3,970,181,082
Commercial Papers	56,835,763	46,484,906	(44,936,751)	-	982,870	59,366,789
Debentures - Listed - Unsecured	258,932,870	-	(33,904,310)	-	33,904,110	258,932,670
Securitization	2,742,374,318	30,543,942,869	(27,617,423,410)	-	34,886,980	5,703,780,754

21.1.2 Changes in Interest Bearing Borrowings - Previous Year

	As at 01.04.2020 LKR	Obtained during the year LKR	Repayments during the year LKR	Discontinued Subsidiaries LKR	Accrued Interest LKR	As at 31.03.2021 LKR
Import Financing Loans	6,071,330,345	17,228,070,740	(22,934,650,717)		91,495	364,841,863
Bank Loans	4,005,008,249	2,523,799,000	(4,217,532,581)	(249,516,667)	5,821	2,061,763,822
Commercial Papers	72,802,779	549,318,868	(521,505,259)	(46,348,239)	2,567,614	56,835,763
Debentures - Listed - Unsecured	259,071,466	-	(9,071,466)		8,932,870	258,932,870
Securitization	649,837,356	1,195,250,974	(680,804,034)	(1,164,284,296)		-
	11,058,050,195	21,496,439,582	(28,363,564,057)	(1,460,149,202)	11,597,800	2,742,374,318

21. INTEREST BEARING BORROWINGS (Contd...)

21.2 Company

	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2022 Total LKR	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2021 Total LKR
Import Financing Loans	1,415,300,213	-	1,415,300,213	364,841,863	-	364,841,863
Bank Loans	1,613,014,424	1,592,166,658	3,205,181,082	1,147,363,822	914,400,000	2,061,763,822
Bank Overdrafts (Note 18.2)	16,928,535	-	16,928,935	32,796,421	-	32,796,421
Commercial Papers	59,366,789	-	59,366,789	56,835,763	-	56,835,763
Debentures - Listed - Unsecured	8,932,670	250,000,000	258,932,670	8,932,870	250,000,000	258,932,870
	3,113,542,631	1,842,166,658	4,955,709,289	1,610,770,739	1,164,400,000	2,775,170,739

21.2.1 Changes in Interest Bearing Borrowings - Current 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	(27,617,423,410)	34,886,980	4,938,780,754

21.2.2 Changes in Interest Bearing Borrowings - Previous Year

	As at 01.04.2020 LKR	Obtained during the year LKR	Repayments during the year LKR	Accrued Interest LKR	As at 31.03.2021 LKR
Import Financing Loans	6,071,330,345	17,228,070,740	(22,934,650,717)	91,495	364,841,863
Bank Loans	3,469,692,322	2,523,799,000	(3,931,733,322)	5,822	2,061,763,822
Commercial Papers	72,802,779	502,970,629	(521,505,259)	2,567,614	56,835,763
Debentures - Listed - Unsecured	259,071,466	-	(9,071,466)	8,932,870	258,932,870
	9,872,896,912	20,254,840,369	(27,396,960,764)	11,597,801	2,742,374,318

21. **INTEREST BEARING BORROWINGS (Contd...)**

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

	Loan Oustanding	Tenor	Interest Rate	Collateral
Import Financing Loans	1,415,300,213	3-6 Months	AWPLR -.25%-0.50%	Stocks and Book Debtors
Term Loan HNB PLC	944,500,000	2 Years	AWPLR+0.75%	Credit Card Receivables
Term Loan Sampath Bank PLC	914,400,000	5 Years	AWPLR+1.5% -1.75%	Hire Purchase Receivable
Short Term Loan NDB	549,833,060	3 Years		No Collateral
Term Loan NTB	483,491,692	5 Years	AWPLR+0.85%	Stocks and Book Debtors
Short Term Loan Boc	233,333,328	3 Years	AWPLR +1.5%	Stocks and Book Debtors
Short Term Loans Seylan Bank PLC	79,623,002	5 Month	AWPLR-0.25%	No Collateral
Commercial Papers	59,366,789	3-12 Month	4%-5%	No Collateral

21.4 **Debentures**

Senior Listed Rated Unsecured Redeemable

Year of Issue	Face Value	Term	Issue Date	Maturity Date	Interest Rate	Carring Value 2022 LKR	Carring Value 2021 LKR
2019	250,000,000	5 Years	2019-12-19	2024-12-19	12.50%	258,932,670	258,932,870

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

22. **WARRANTY PROVISION**

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Balance as at the beginning of the Year	348,548,930	255,039,076	348,548,931	254,243,094
Provision for the Year	278,143,018	219,017,200	278,143,018	219,813,184
Utilised during the Year	(184,457,891)	(125,507,346)	(184,457,891)	(125,507,347)
Balance as at the end of the Year	442,234,057	348,548,930	442,234,058	348,548,931

23. EMPLOYEE BENEFITS LIABILITIES

	Group 2022 LKR	Group 2021 LKR	Company 2022 LKR	Company 2021 LKR
23.1 Employee Benefits Liability				
Balance as at 01 April	305,802,093	275,826,149	305,802,093	256,391,000
Provision for the Year	47,517,799	59,535,595	47,517,799	52,953,932
Net Actuarial (Gain)/Loss	(24,211,188)	16,580,489	(24,211,188)	14,063,783
Benefit Paid	(22,453,952)	(19,960,782)	(22,453,952)	(18,442,193)
Transferred from/(to) Intercompany (Note 23.6)	(2,091,772)	835,571	(2,091,772)	835,571
Transferred/(Discontinued Subsidiaries)		(27,014,929)	-	-
Balance as at 31 March	304,562,980	305,802,093	304,562,980	305,802,093
23.2 Expense on Benefits Plan				
Current Service Cost	27,017,353	29,878,742	27,017,353	29,878,742
Interest Cost on Benefit Obligation	20,500,446	23,075,191	20,500,446	23,075,190
Discontinued Operation		6,581,662	-	-
The Total Amount Charged to Statement of Profit or Loss	47,517,799	59,535,595	47,517,799	52,953,932
Actuarial (Gain)/Loss	(24,211,188)	14,063,783	(24,211,188)	14,063,783
Discontinued Operation		2,516,706	-	-
Other Comprehensive Income charge	(24,211,188)	16,580,489	(24,211,188)	14,063,783

23.3 Acturial & Management Consultants (Private) Limited Carried out an Acturial Valuation of the Employed Benefit Plan - Gratuity on 31 March 2021. Appropiable and Compatible Assumptions were used in determining the cost of Retirement Benefit. The Principle Assumptions used as at 31 March 2021 are as Follows,

	Group 2022	Group 2021	Company 2022	Company 2021
Method of Actuarial Valuation	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)
Financial Assumption				
Discount Rate	14.3%	6.75%	14.3%	6 .75%
Salary Increment Rate	12%	5% -8%	12%	5% -8%
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

. **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

	2022		2021	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Group				
Discount rate	294,282,235	315,650,597	293,105,020	319,684,587
Salary Increment Rate	316,926,604	292,920,077	320,511,680	292,099,669
Company				
Discount rate	294,282,235	315,650,592	293,105,020	319,684,587
Salary Increment Rate	316,926,604	292,920,077	320,511,680	292,099,669

23.5 **Maturity profie of defined benefit liabilities**

	Group		Company	
	2022	2021	2022	2021
23.5.1 Weighted average future working life time	4.45	4.42 - 6.18	4.45	4.42

23.5.2 Maturity analysis of defined benefit payments

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Within the next 12 month	66,721,735	52,622,079	66,721,735	52,622,079
Between 1-2 Years	95,384,407	87,577,357	95,384,407	87,577,357
Between 3-5 Years	72,925,309	78,742,516	72,925,309	78,742,516
Between 6-10 Years	52,607,402	62,127,513	52,607,402	62,127,513
Beyond 10 Years	16,924,127	24,732,627	16,924,127	24,732,627
	304,562,980	305,802,092	304,562,980	305,802,092

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

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Abans Auto (Private) Limited	1,759,128	-	1,759,128	-
Abans Environmental Services (Pvt) Ltd	-	835,571		835,571
Crown City Developers (Pvt)	(3,686,199)	-	(3,686,199)	-
Abans Electrical PLC	(164,701)	-	(164,701)	-
	(2,091,772)	835,571	(2,091,772)	835,571

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

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24. **TRADE AND OTHER PAYABLES**

24.1 **Group**

		Group		Company	
		2022 LKR	**2021 LKR**	**2022 LKR**	**2021 LKR**
Trade Payable	- Related Parties	630,085,450	467,875,644	630,085,450	467,875,644
	- Other	6,068,464,285	5,611,373,939	6,041,015,946	5,611,373,939
Other Payable	- Related Parties	193,926,442	243,070,709	127,267,358	138,763,115
	- Other	362,612,987	362,445,134	353,927,793	362,073,557
		7,255,089,164	6,684,765,426	7,152,296,547	6,580,086,255
Advances and Deposits		991,482,337	714,983,280	991,482,337	714,983,280
		8,246,571,501	7,399,748,706	8,143,778,884	7,295,069,535
Sundry Creditors Including Accrued Expenses		2,068,724,709	1,627,820,786	2,068,538,009	1,627,715,404
		10,315,296,210	9,027,569,492	10,212,316,893	8,922,784,939

24.2 **Terms & Conditions of Related Party Balances**

Terms and Conditions of the outstandng balances of related party payables stated in Note 24.1 & 24.2 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

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		At Amortized Cost		Measured at Fair Value Through Profit or Loss		Measured at Fair Value Through Other Comprehensive Income	
	Notes	2022 LKR	2021 LKR	2022 LKR	2021 LKR	2022 LKR	2021 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	9,338,517,503	5,534,763,388	488,400	308,400		
Other Financial Assets	14	2,321,256,027	1,419,906,164				
Cash and Short Term Deposits	18.1	1,309,100,964	577,920,718				
Total		12,968,874,494	7,532,590,270	488,400	308,400	15,000,000	15,000,000

Financial Liabilities by Categories		Financial Liabilities Measured at Fair Value		Financial Liabilities Measured at Amortized Cost	
	Notes	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Financial instruments in non-current liabilities					
Interest Bearing Borrowings	21.1			2,607,166,658	1,164,400,000
Financial instruments in current liabilities					
Interest Bearing Borrowings	21.1			3,132,887,788	1,610,770,739
Trade and Other Payables	24.1			10,315,296,210	9,027,569,492
Total				16,055,350,656	11,802,740,231

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	
		2022 LKR	2021 LKR	2022 LKR	2021 LKR	2022 LKR	2021 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	9,434,907,927	5,627,703,431	-	-	-	-
Other Financial Assets	14.	2,321,256,027	1,419,906,164	488,400	308,400	-	-
Cash and Short Term Deposits	18.1	1,308,600,954	571,200,865	-	-	-	-
Total		13,064,764,908	7,618,810,460	488,400	308,400	15,000,000	15,000,000

Financial Liabilities by Categories	Notes	Financial Liabilities Measured at Fair Value		Financial Liabilities Measured at Amortized Cost	
		2022 LKR	2021 LKR	2022 LKR	2021 LKR
Financial instruments in non-current liabilities					
Interest Bearing Borrowings	21.2	-	-	1,842,166,658	1,164,400,000
Financial instruments in current liabilities					
Trade and Other Payables	24.2	-	-	1,627,715,404	8,922,784,939
Interest Bearing Borrowings	21.2	-	-	3,113,542,631	1,610,770,739
Total		-	-	6,583,424,693	11,697,955,678

NOTES TO THE FINANCIAL STATEMENTS

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 2022.

Financial Assets - Group	Level 1 LKR	Level 2 LKR	Level 3 LKR	Total LKR
Recurring Fair Value Mesurements				
Financial Assets:				
Measured at Fair Value Through Profit or Loss	488,400	-	-	488,400
Measured at Fair Value Through Other Comprehensive Income	-	-	15,000,000	15,000,000
Total Recurring Financial Assets	488,400	-	15,000,000	15,488,400
Non Financial Assets:				
Land and Buildings	-	-	761,412,062	761,412,062
Investment Properties			199,800,000	199,800,000
Total Recurring Non-Financial Assets	-	-	961,212,062	961,212,062

Financial Assets - Company	Level 1 LKR	Level 2 LKR	Level 3 LKR	Total LKR
Recurring Fair Value Mesurements				
Financial Assets:				
Measured at Fair Value Through Profit or Loss	488,400	-	-	488,400
Measured at Fair Value Through Other Comprehensive Income	-	-	15,000,000	15,000,000
Total Recurring Financial Assets	488,400	-	15,000,000	15,488,400
Non Financial Assets:				
Land and Buildings	-	-	674,852,644	674,852,644
Investment Properties	-	-	199,800,000	199,800,000
Total Recurring Non-Financial Assets	-	-	874,652,644	874,652,644

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 2022 and 2021, 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	Carrying Amount LKR	Fair Value LKR	Carrying Amount LKR	Fair Value LKR
Financial Assets					
Other Financial Assets		2,336,744,427	2,336,744,427	1,435,214,564	1,435,214,564
Trade and Other Receivables Excluding Pre-payments	A	9,338,517,503	9,338,517,503	5,534,763,388	5,534,763,388
Cash and Short Term Deposits	A	1,309,100,964	1,309,100,964	577,920,718	577,920,718
Financial Liabilities					
Interest Bearing Borrowings (Non Current)	B	2,607,166,658	2,607,166,658	1,164,400,000	1,164,400,000
Interest Bearing Borrowings (Current)	A	3,132,887,788	3,132,887,788	1,610,770,739	1,610,770,739
Trade and Other Payables (Current)	A	10,315,296,210	10,315,296,210	9,027,569,492	9,027,569,492

Company	Note	Carrying Amount LKR	Fair Value LKR	Carrying Amount LKR	Fair Value LKR
Financial Assets					
Other Financial Assets		2,336,744,427	2,336,744,427	1,435,214,564	1,435,214,564
Trade and Other Receivables Excluding Pre-payments	A	9,434,907,927	9,434,907,927	5,627,703,431	5,627,703,431
Cash and Short Term Deposits	A	1,308,600,954	1,308,600,954	571,200,865	571,200,865
Financial Liabilities					
Interest Bearing Borrowings (Non Current)	B	1,842,166,658	1,842,166,658	1,164,400,000	1,164,400,000
Interest Bearing Borrowings (Current)	A	3,113,542,631	3,113,542,631	1,610,770,739	1,610,770,739
Trade and Other Payables	A	10,212,316,893	10,212,316,893	8,922,784,939	8,922,784,939

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 2,321,256,027/- and fair value of LKR 2,321,256,027/- that are valued under Level 2.

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 2022 & 2021.

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 invest ments 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.

25.4.1Credit 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
2022	3,916,717,598	2,478,187,085	379,314,420	334,602,292	123,448,557	83,4840,803	517,324,441
2021	3,515,461,949	1,880,778,396	441,976,432	211,947,104	200,413,976	107,688,839	672,657,203

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
2022	3,916,717,598	2,478,187,085	379,314,420	334,602,292	123,448,557	83,4840,803	517,324,441
2021	3,515,460,984	1,880,777,431	441,976,432	211,947,104	200,413,976	107,688,839	672,657,203

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Year ended 31 March

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 1,309 Mn and LKR 1,309 Mn at 31 March 2022 (2021 - LKR 578 Mn and 571 Mn).

26.5.1.4 **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 2022 would have increased / decreased by Rs. 9,339,966/-. (2021 - 9,339,966 in group Company)

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 2022	Maximum Exposure to Credit Risk	Fair value of Collateral held	Net Exposure to Credit Risk
Cash and Bank Balances (Excluding cash in hand)	1,306,573,122	-	1,306,573,122
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	9,338,517,503	-	9,338,517,503
	12,981,835,052	-	12,981,835,052

Group Type of Collateral 2021	Maximum Exposure to Credit Risk	Fair value of Collateral held	Net Exposure to Credit Risk
Cash and Bank Balances (Excluding cash in hand)			
Securities Purchased under Repurchase Agreement	573,352,867	-	573,352,867
Measured at Fair Value through Other Comprehensive Income	261,511,347	-	261,511,347
Measured at Fair Value Through Profit or Loss	15,000,000	-	15,000,000
Measured at Amortized Cost	308,400	-	308,400
Trade and Other Receivables excluding Prepayments	1,419,906,164	-	1,419,906,164
	5,534,763,388	-	5,534,763,388
	7,804,842,166		7,804,842,166

* Movable assets includes absolute ownership/ mortgage over motor vehicles and Machineries & Equipments.

** Other collateral includes secured by consumer durables & title deed transfers (Real Estate Loans).

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)			
Measured at Fair Value through Other Comprehensive Income	1,304,033,103	-	1,304,033,103
Measured at Fair Value Through Profit or Loss	15,000,000	-	15,000,000
Measured at Amortized Cost	488,400	-	488,400
Trade and Other Receivables excluding Prepayments	2,321,256,027	-	2,321,256,027
	9,434,907,927	-	9,434,907,927
	13,075,685,457	-	13,075,685,457

Company Type of Collateral 2021	Maximum Exposure to Credit Risk	Fair value of Collateral held	Net Exposure to Credit Risk
Cash and Bank Balances (Excluding cash in hand)			
Measured at Fair Value through Other Comprehensive Income	566,633,014	-	566,633,014
Measured at Fair Value Through Profit or Loss	15,000,000	-	15,000,000
Measured at Amortized Cost	308,400	-	308,400
Trade and Other Receivables excluding Prepayments	1,419,906,164	-	1,419,906,164
	5,627,703,431	-	5,627,703,431
	7,629,551,009	-	7,629,551,009

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 indue.

Group (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	3,132,887,788	2,311,916,658	295,250,000	5,740,054,446
Trade and Other Payables	10,315,296,210			10,315,296,210
	13,448,183,998	2,311,916,658	295,250,000	16,055,350,656

Group (As at 31 March 2021)	Less than 1 year LKR	1 to 2 years LKR	2 to 5 years LKR	Total LKR
Interest Bearing Borrowings	1,610,770,739	651,400,000	513,000,000	2,775,170,739
Trade and Other Payables	9,027,569,492	-	-	9,027,569,492
	10,638,340,231	651,400,000	513,000,000	11,802,740,231

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

Company (As at 31 March 2021)	Less than 1 year LKR	1 to 2 years LKR	2 to 5 years LKR	Total LKR
Interest Bearing Borrowings	1,610,770,739	651,400,000	513,000,000	2,775,170,739
Trade and Other Payables	8,922,784,939	-	-	8,922,784,939
	10,533,555,678	651,400,000	513,000,000	11,697,955,678

Due to the covid 19 pandemic, 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 suffi cient working capital facilities available whenever required and closely monitors their utilisation.

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 2022.

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 Covid -19 pandemic 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, particularly during the latter part of the year. Whilst the exchange rate was maintained at stable levels during the year, as per the guidelines issued to the banks by the Central Bank of Sri Lanka, the currency depreciated sharply in March 2022 once the CBSL allowed a free float of the currency which resulted in a steep depreciation of the Sri Lankan Rupee by 31 March 2022. 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	Group 2022 LKR	Group 2021 LKR	Company 2022 LKR	Company 2021 LKR
Foreign Currency Denominated Payable	6,443,773,640	5,020,694,329	6,443,773,640	5,020,694,329

Foreign Currency Denominator payable maturity analysis Risk as at 31 March 2021 - Group/ Company	2022 USD - $	2022 LKR
Within 01 Month	6,676,370	2,103,056,476
01 to 03 Month	2,524,704	767,639,546
03 to 06 Month	11,211,973	3,399,382,683
Total	**20,413,047**	**6,270,078,705**
Other Currencies - Maturity Within 2 Months	-	173,694,935
Total Foreign Currency Denominator payable	20,413,047	6,443,773,640

Exchange rate Sensitivity (Group/ Company)

Most of above foreign currency denominated balances are denominated in United States Dollars. 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 20.4 Mn.

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	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Long Term Loans @ Variable Interest Rates	1,371,947,094	914,400,000	1,592,166,658	914,400,000
Long Term Loans @ Fixed Interest Rates	258,932,670	258,932,870	258,932,670	258,932,870
Short Term Loans @ Variable Interest Rate	4,049,807,893	1,545,002,106	3,045,243,172	1,545,002,106
Short Term Loans @ Fixed Interest Rate	59,366,789	56,835,763	59,366,789	56,835,763

Interest Rate Sensitivity

All of Group's borrowings with variable interest rates are linked with AWPLR - LKR. If the AWLPR rate increase/decrease by 1% during the year, profit for the year would have decreased/increased by Rs 80.4 Mn. (2020 - Rs 73.2 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 2022 - Group

Purpose wise Breakdown	Cash and Bank Balances	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
Financial Services	1,309,100,946	-	2,321,256,027	-	3,630,356,991
Trading	-	-	3,916,717,598	-	3,916,717,598
Government	-	-	-	-	-
Hotels	-	5,000,000	-	-	5,000,000
Services	-	10,000,000	-	-	10,000,000
Others	-	-	5,421,799,905	488,400	5,422,288,305
Total	1,309,100,946	15,000,000	11,659,771,530	488,400	12,984,362,894

As at 31 March 2021 - Group

Purpose wise Breakdown	Cash and Bank Balances	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
Financial Services	577,920,718	-	1,419,906,164	-	1,997,826,882
Trading	-	-	3,515,461,949	-	3,515,461,949
Government	-	-	-	-	-
Hotels	-	5,000,000	-	-	5,000,000
Services	-	10,000,000	-	-	10,000,000
Others	-	-	2,019,301,439	308,400	2,019,609,839
Total	577,920,718	15,000,000	6,954,669,552	308,400	7,547,898,670

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

26.2 Analysis of Risk Concentration (Contd...)

As at 31 March 2022 - Company

Purpose wise Breakdown	Cash and Bank Balances	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
Financial Services	1,308,600,954	-	2,321,256,027	-	3,629,856,981
Trading	-	-	3,916,717,589	-	3,916,717,598
Government	-	-	-	-	-
Hotels	-	5,000,000	-	-	5,000,000
Services	-	10,000,000	-	-	10,000,000
Others	-	-	5,518,190,329	488,400	5,518,676,729
Total	1,308,600,954	15,000,000	11,756,163,954	488,400	13,080,253,308

As at 31 March 2021 - Group

Purpose wise Breakdown	Cash and Bank Balances	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
Financial Services	571,200,865	-	1,419,906,164	-	1,991,107,029
Trading	-	-	3,515,460,984	-	3,515,460,984
Hotels	-	5,000,000	-	-	5,000,000
Services	-	10,000,000	-	-	10,000,000
Others	-	-	2,112,242,447	308,400	2,112,550,847
Total	571,200,865	15,000,000	7,047,609,595	308,400	7,634,118,860

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Year ended 31 March

27 DISCONTINUED OPERATIONS

"During last year, the shareholders of the Company approved in principle to dispose the 49.67% shares of Abans Finance PLC, a subsidiary of the group and committed the group to a plan to dispose the subsidiary. The disposal was expected to be completed within a year. As at 31 March 2021, Assets & liabilities of Abans Finance PLC was classified as held for sale and its operations as discontinued operations.

During the current financial year, the group continued it's plan to dispose the subsidiary and due to unexpected reasons beyond the control of the group, the sale did not complete as of 31 March 2022. The group has successfully addressed to the changes in the circumstances and continues to be committed to its plan to dispose the subsidiary. Accordingly, the group continues to classify the assets and liabilities of Abans Finance PLC as held for sale and its operations as discontinued operations as of 31 March 2022.

The business of Abans Finance PLC represented the Group's Financial Services segment note as discontinued operation. The results of Abans Finance PLC for the year are presented below:

"On 01 March 2021, Group disposed its investment in subsidiary, Abans Lanka (Pvt) Ltd to Abans Retail Holding (Pvt) Ltd. Following the Disposal, operation of Abans Lanka (Pvt) Ltd was classified as discontinued Operations of the group. "

During the period, the Company disposed 100% of its stake in AB Sun City (Pvt) Ltd, a Subsidiary of the group to Abans Land (Pvt) Ltd. AB Sun City (Pvt) Ltd held 42% stake of Colombo City Centre Partners (Pvt) Ltd, an associate of the group. Performance of the companies disposed and the gain or loss from disposal was recorded under "Profit for the period from Discontinued Operation".

During the period, the Company disposed 100% of its stake in AB Technology (Pvt) Ltd by means of a share buyback. Performance of the company disposed 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 Transaciton Elimination Mar-22 LKR
Revenue	2,100,182,143	-
Cost of Sales	(555,165,139)	2,064,226
Gross Profit	1,545,017,004	2,064,226
Other Operating Income	21,840,132	-
Selling and Distribution Expenses	(89,151,194)	-
Administrative Expenses	(724,408,920)	-
Operating Profit	753,297,022	2,064,226
Finance Cost	(13,544,000)	-
Share of Loss of Equity Accounted Investee (Net of Tax)	(64,843,315)	-
Profit/(Loss) Before Tax	674,909,707	2,064,226
Group Disposal Profit /Loss	728,828,809	
	1,403,738,516	2,064,226
Value Added Tax on Financial Services	(124,703,277)	-
Income Tax Expense	(184,929,414)	-
Profit / (Loss) for the year from discontinued operations	1,094,105,825	2,064,226
Total Profit / (Loss) for the year from discontinued operations	1,094,105,825	2,064,226
Other Comprehensive Income		
Revaluation Gain from Land and Buildings	-	-
Actuarial Gains on Employee Benefits Liabilities	2,380,293	-
Tax Effect on above	(571,270)	-
Total Other Comprehensive Income for the Year, Net of Tax	1,809,023	-
Total Comprehensive Income for the Year, Net of Tax	1,095,914,848	2,064,226

After Related Party Transaciton Elimination Mar-22 LKR	Mar-21 LKR	Related Party Transaciton Elimination Mar-21 LKR	After Related Party Transaciton Elimination Mar-21 LKR
2,100,182,143	1,816,547,581	-	1,816,547,581
(553,100,913)	(666,257,556)	3,171,786	(663,085,770)
1,547,081,230	1,150,290,025	3,171,786	1,153,461,811
21,840,132	24,510,242	-	24,510,242
(89,151,194)	(109,544,130)	52,933,264	(56,610,866)
(724,408,920)	(585,967,446)	-	(585,967,446)
755,361,248	479,288,691	56,105,050	535,393,741
(13,544,000)	(10,692,222)	-	(10,692,222)
(64,843,315)	(155,164,006)		(155,164,006)
676,973,933	313,432,463	56,105,050	369,537,513
728,828,809	92,457	-	92,457
1,405,802,742	313,524,920	56,105,050	369,629,970
(124,703,277)	(95,713,451)	-	(95,713,451)
(184,929,414)	(139,975,056)	-	(139,975,056)
1,096,170,051	77,836,413	56,105,050	133,941,463
1,096,170,051	77,836,413	56,105,050	133,941,463
-	89,459,907	(56,625,323)	32,834,584
2,380,293	(2,516,706)	-	(2,516,706)
(571,270)	(18,451,990)	16,493,659	(1,958,331)
1,809,023	68,491,211	(40,131,664)	28,359,547
1,097,979,074	146,327,624	15,973,386	162,301,010

27. DISCONTINUED OPERATIONS (Contd…)

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	
	Abans Finance PLC	Abans PLC
	31 March 2022 LKR	31 March 2022 LKR
Assets		
Property, Plant and Equipment	152,722,070	1,527,327
Intangible Assets	27,950,763	-
Lease Rentals Receivable & Stock Out on Hire	6,999,758,895	-
Right of Use Assets - Leasehold Properties	175,125,283	-
Loans and Advances	1,056,121,188	-
Investment In Equity Accounted Investee	-	-
Deferred Tax Assets	-	-
Inventories	32,066,726	-
Trade and Other Receivables	221,799,949	-
Securities Purchased under Repurchase Agreement	255,049,144	-
Other Financial Assets	1,364,105,117	-
Income Tax Receivable	-	-
Cash and Cash Equivalent	183,803,273	-
Total Assets held for Sale	10,468,502,408	1,527,327
Liabilities		
Employee Benefit Liabilities	27,600,613	-
Lease Creditor	181,093,889	-
Deferred Tax Liabilities	13,298,360	-
Interest Bearing Loans and Borrowings	2,690,704,192	-
Trade and Other Payables	4,955,606,923	-
Income Tax Payable	175,080,455	-
Liabilities directly associated with assets held for sale	8,043,384,432	-
Net assets	2,425,117,976	1,527,327
Net assets directly associated with disposal group	2,425,117,976	1,527,327

	Disposed Subsidiary during the Year		Disposal Group Held for Sale	Disposed Subsidiary during the Year
Total	AB Technologies (Pvt) Ltd	AB Sun City (Pvt) Ltd	Abans Finance PLC	Abans Lanka (Pvt) Ltd
31 March 2022 LKR	30 June 2021 LKR	30 June 2021 LKR	31 March 2021 LKR	01 March 2021 LKR
154,249,397	-	-	146,041,714	-
27,950,763	-	-	33,866,419	-
6,999,758,895	-	-	6,027,133,949	-
175,125,283	-	-	62,490,871	-
1,056,121,188	-	-	1,326,058,077	-
-	-	2,215,980,747	-	-
-	-	-	9,815,140	-
32,066,726	-	-	31,066,726	-
221,799,949	7,730,557	1,955	202,582,923	114,171,524
255,049,144	-	-	942,235,676	-
1,364,105,117	-	-	221,029,564	-
-	-	-	-	4,584,793
183,803,273	6,550,505	168,848	226,092,543	5,380,806
10,470,029,735	14,281,062	2,216,151,550	9,228,413,602	124,137,123
27,600,613	-	-	27,014,926	-
181,093,889	-	-	63,308,285	-
13,298,360	-	-	-	-
2,690,704,192	-	-	1,590,866,771	-
4,955,606,923	5,925,171	195,518,327	5,406,978,013	121,750
175,080,455	-	1,924	147,245,447	-
8,043,384,432	5,925,171	195,520,251	7,235,413,442	121,750
2,426,645,303	8,355,891	2,020,631,299	1,993,000,160	124,015,373
2,426,645,303	8,355,891	2,020,631,299	1,993,000,160	70,527,543

27. DISCONTINUED OPERATIONS (Contd…)

27.2 The major class of assets and liabilities classified as held for sales and disposed subsidiaries are, as follows

	Company 2022 LKR	Company 2021 LKR
Assets		
Property, Plant and Equipment	1,527,327	-
Investments in Subsidiaries	361,144,336	361,144,336
	362,671,663	361,144,336

27.3

The net cash flows analysis for the Year ended 31 March	Abans Finance PLC Mar- 22 LKR	Abans Finance PLC Mar-21 LKR	Abans Lanka (Pvt) Ltd Mar-21 LKR
Operating Activates	(592,876,161)	236,762,174	5,338,041
Investing Activates	(811,343,729)	199,033,315	-
Financing Activates	1,135,698,663	249,279,459	-
Net cash generated/ (used)	(268,521,227)	685,074,947	5,338,041

27.4

Net gain/Loss from disposal of Subsitians	AB Technologies (Pvt) Ltd Group LKR 30 June 21	AB Technologies (Pvt) Ltd Company LKR 30 June 21	AB Sun City (Pvt) Ltd Group LKR 30 June 21	AB Sun City (Pvt) Ltd Company LKR 30 June 21	Abans Lanka (Pvt) Ltd Group LKR 30 June 21	Abans Lanka (Pvt) Ltd Company LKR 30 June 21
Sales Proceeds	6,136,000	6,136,000	2,751,680,000	2,751,680,000	70,620,000	70,620,000
Abans PLC Investment	-	(5,000,000)		(2,751,680,000)	-	(6,000,000)
Net assets as at 30 June 2021	(8,355,891)		(2,020,631,300)			
Net assets as at 01 March 2021					(70,527,543)	-
Profit/ (Loss)	(2,219,891)	1,136,000	731,048,700	-	92,457	64,620,000

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 2022 LKR	Carrying Amount Pledged 2021 LKR
Finished Goods	Primary Mortgage Bond over Stock For LKR 5,845.5 Mn	Import Loans	11,945,887,245	8,902,843,065
Trade Debtors - Other	Primary Mortgage Bond over Debtors For LKR 5,845.5 Mn	Import Loans	3,916,717,598	3,515,460,984
Trade Debtors - H.P Debtors	Hire Purchased Receivable Securitization Loan-LKR 2,397 Mn	Term Loan	2,271,125,820	2,820,949,929
Finished Goods and Trade Debtors	Primary Mortgage Bond over Stock and Receivables of 520 Mn	Term Loan	15,862,604,843	12,418,304,049
Finished Goods and Trade Debtors	Primary Mortgage Bond over Stock and Receivables of 705 Mn	Import Loan	15,862,604,843	-

28.2 Assets Pledged by Abans Finance PLC

Included Under Assets Held for Sale			
Lease & Hire Purchase Receivables	Bank Overdraft		356,000,000
Lease & Hire Purchase Receivables	Term Loan	3,551,307,642	2,085,848,146
Placement with Bank	Bank Overdraft	53,369,623	53,365,669

29. COMMITMENTS AND CONTINGENCIES

There were no material Commitments and Contingencies as at the reporting date except followings.

29.1

Financial Contingencies	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Letters of Credit opened with Banks Favoring Suppliers	4,498,934,671	4,302,931,240	4,000,284,671	4,302,931,240
Stand by Letter of Credits	-	200,000,000	-	200,000,000
Guarantees Issued by Banks	2,125,846,896	1,473,683,234	2,125,846,896	1,473,683,234

29.2 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 2021 with respect to above assessments.

29.3 Litigations

There were no material litigations against the Group as at reporting date which require adjustments to or disclosure in the financial statements.

29.4 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

30. 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 Srilanka Accounting Standards LKAS-24 on "Related Party Disclosures". The Details of which are Reported Bellow,

30.1 Transaction with /between Immediate Parent - Abans Retail Holdings (Private) Limited

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Balance as at 01 April	52,060,000	7,316,172	52,060,000	7,316,172
Rendering of Services	12,448,967	33,516,900	12,448,967	33,516,900
Dividend Paid	159,985,700	374,233,500	159,985,700	374,233,500
Payments Received for Services	329,676,050	(59,401,622)	329,676,050	(59,401,622)
Dividend Declared	(159,985,700)	(374,224,950)	(159,985,700)	(374,224,950)
Disposal of Abans Lanka (Pvt) Ltd		70,620,000		70,620,000
Balance as at 31 March	394,185,017	52,060,000	394,185,017	52,060,000

30.2 Transaction with /between Subsidiaries

	2021 LKR	2021 LKR
Balance as at 01 April	91,601,421	(1,104,063,808)
Nature of Transaction		
Sale of goods	2,064,226	3,171,786
Purchase of Goods	(91,517,160)	-
Rendering of services	33,135,015	1,194,173
Receipts of Services		(811,178)
Fund collected on behalf of Abans Finance PLC	(152,737)	1,871,350
Balance Transferred from Merger*		1,187,648,446
Investment in AB Manufacturing	(75,000,010)	-
Net Payments for Purchase of Goods and Receipts of Services	197,716,625	2,156,562
Others	32,851,389	434,090
Balance as at 31 March	124,999,992	91,601,421

* Subsidiaries including
Abans Finance PLC, AB Manufacturing (Pvt) Ltd.

During the Financial Year, the Company (Abans PLC) Disposed its share of AB Sun City to Abans Land (Pvt) Ltd & AB Technologies (Pvt) Ltd to Abans Office Automation (Pvt) Ltd.

During previous Financial Year, the Company (Abans PLC) Disposed its share of Abans Lanka (Pvt) Ltd to Abans Retail Holdings (Pvt) Ltd & Company merged with its fully owned subsidiary of Abans Retail (Pvt) Ltd

30.3 Transaction with /between Associate -Abans Electricals PLC & Colombo City Centre Partners (Private) Limited

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Balance as at 01 April	(362,826,524)	(314,628,153)	(362,826,524)	(409,404,471)
Nature of Transaction				
Sale of goods	6,099,966	4,347,166	6,099,966	4,347,166
Purchase of Goods	(2,176,707,387)	(1,284,245,486)	(2,176,707,387)	(1,284,245,486)
Receipt of Services	(954,203,236)	(1,836,694,384)	(954,203,236)	(1,836,694,384)
Rendering of Services	16,135,017	20,926,347	16,135,017	20,926,347
Rent Expenses	(56,207,024)	-	(56,207,024)	-
Dividend	-	-	-	3,325,441
Net Payments for Purchase of Goods and Receipts of Services	3,253,332,118	3,294,545,483	3,253,332,118	3,291,220,042
Balance Transferred from Abans Retail Merger	-	-		94,776,318
Colombo City Center Balance Transferred to Other	2,823,557	-	2,823,557	-
Balance Transferred from Joint Venture	-	729,260	-	729,260
VAT Portion of Purchase of Goods	(246,703,977)	(247,806,757)	(246,703,977)	(247,806,757)
Balance as at 31 March	(518,257,490)	(362,826,524)	(518,257,490)	(362,826,524)

30. RELATED PARTY DISCLOSURES (Contd...)

30.4 Transaction with Joint Venture - Colombo City Centre Partners (Private) Limited

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Balance as at 01 April	-	(10,295,526)	-	(10,295,526)
Sale of goods	-	5,764,421	-	5,764,421
Receipt of Services	-	(20,841,291)	-	(20,841,291)
Rendering of Services	-	3,091,733	-	3,091,733
Net Payments for Purchase of Goods and Receipts of Services	-	26,959,822	-	26,959,822
Investment	-	-	-	-
Balance Transferred to Associates	-	(729,260)	-	(729,260)
VAT Portion of the Service & Sale of goods	-	(3,949,899)	-	(3,949,899)
Balance as at 31 March	-		-	-

30.5 Transaction with Others

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Balance as at 01 April	1,000,087,945	1,075,421,700	1,105,735,126	1,606,379,263
Nature of Transaction				
Sale of goods	12,943,391	34,511,737	12,943,391	34,511,737
Purchase of Goods	(2,759,836)	(4,935,171)	(2,759,836)	(4,935,171)
Balance Transferred from Subsidiaries	-	(80,092,839)	91,315,824	-
Write-off balance	-	(572,694,958)	-	(572,694,958)
Share Disposal to Abans Land (Pvt) Ltd	2,751,680,000	(518,000,000)	2,751,680,000	-
Cash Received from Share Disposal	-	518,000,000	-	-
Rendering of Services	61,365,064	3,573,047	61,365,064	3,573,047
Receipts of Services	(2,960,133,957)	(1,767,508,832)	(2,960,133,957)	(1,763,767,916)
Rent Expenses	(108,251,619)	(88,349,781)	(108,251,619)	(88,349,781)
Net Payments for Purchase of Goods and Receipts of Services	3,537,846,767	2,539,079,446	3,382,674,187	2,027,528,705
Other	(219,545,938)	(138,916,404)	(223,286,846)	(136,509,800)
Balance as at 31 March	4,073,231,817	1,000,087,945	4,111,281,333	1,105,735,126

Abans Office Automation (Pvt) Ltd, Abans Warehousing (Pvt) Ltd, ABS Gardner Dixen 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, S.A. 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.

30.6 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	77,500,081	0.18%	Settlement on demand
Receipts of Services	(3,914,337,193)	-9.14%	Settlement on demand
Sale of goods	19,043,357	0.04%	Settlement on demand
Purchase of Goods	(2,179,467,222)	-5.09%	Settlement on demand
Rent Expenses	(164,458,643)	-0.38%	Settlement on demand
Fund Transfers	6,791,178,885	15.86%	Settlement on demand
Others	(219,545,938)	-0.51%	Settlement on demand
VAT Portion of Purchase of Goods	(246,703,977)	-0.58%	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	(159,985,700)	1.11%	0.38%	Board Resolution
Share Disposal to Abans Land (Pvt) Ltd	(2,751,680,000)	-19.15%	-6.50%	Board Resolution

30. RELATED PARTY DISCLOSURES (Contd...)

30.7 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

30.7.1 Key Management Personnel Compensation

	Group		Company	
	2022 LKR	2021 LKR	2022 LKR	2021 LKR
Short-term employee benefits	82,755,308	71,560,257	62,008,130	57,170,700
Post-employment benefits	3,020,000	2,277,950	1,800,000	1,476,000
	85,775,308	73,838,207	63,808,130	58,646,700

30.7.2 Other Transactions with Key Management Personnel

Fixed Deposits accepted during the year	15,000,000	3,440,810	-	-
Fixed Deposits held at the end of the year	17,180,603	15,700,210	-	-
Rent paid for the properties leased out	27,879,600	25,469,774	27,879,600	25,469,774

31. EVENTS OCCURRING AFTER THE REPORTING DATE

Inter Rate
The Monetary Board of the Central Bank of Sri Lanka, at its meeting held on 08 April 2022, decided to increase the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank by 700 basis points to 13.50 per cent and 14.50 per cent, respectively, effective from the close of business on 08 April 2022. The policy response was made by the Central Bank of Sri Lanka after the reporting period and consequently, no adjustments were necessary to the amounts recognized in the financial statements. The financial effects of the interest rate movement have been more fully described in Note [Risk management note reference].

Foreign Exchange Rate
In March 2022, the Central Bank of Sri Lanka abandoned the temporary peg on US Dollar / LK Rupee (USD / LKR) Exchange Rate. The resulting impact of exchange rate movement during the period have been adjusted to these financial statements. The USD / LKR exchange rate continued to substantively increase subsequent to the period end. However, no adjustments to these financial statements were necessary, as such large increases arose only after the period end. The financial effects of the exchange rate move ment have been more fully described in Note [Risk management note reference].

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32. **RECLASSIFICATION OF COMPARATIVES**

The following amounts have been reclassified in order to comply with the current year presentation,

32.1

Impact on the Statement of Profit or Loss for the Year Ended 31st March 2021	Previously Reported LKR	Discontinued Adjustment LKR	Reclassified Amount LKR
Group			
Revenue	37,805,391,199	-	37,805,391,199
Cost of Sales	(27,878,664,567)	-	(27,878,664,567)
Gross Profit / (Loss)	9,926,726,632	-	9,926,726,632
Other Operating Income	173,930,113	-	173,930,113
Selling & Distribution Expenses	(4,015,404,932)	-	(4,015,404,932)
Administration Expenses	(2,975,281,362)	1,077,088	(2,974,204,274)
Finance Cost	(745,133,060)	-	(745,133,060)
Finance Income	49,009,154	-	49,009,154
Share of results of equity accounted investee (net of tax)	(32,949,660)	155,164,006	122,214,346
Value Added Tax on Financial Services	(9,690,296)	-	(9,690,296)
Income Tax Expense	(688,527,048)	-	(688,527,048)
Profit / (Loss) for the year from discontinued operations	290,182,557	(156,241,094)	133,941,463

32.2 **Other Comprehensive Income**
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods :

Revaluation Gain from Land and Buildings	141,340,186	-	141,340,186
Actuarial Gains/(Loss) on Employee Benefits Liabilities	(14,063,783)	-	(14,063,783)
Tax Effect on above	(11,746,667)	-	(11,746,667)
Net Other Comprehensive Income Year from Discontinued Operations	28,359,546	-	28,359,546

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.

INVESTER INFOMATION

1 **STATED CAPITAL**

Class of Shares	31st March 2022 No. of Shares	31st March 2022 LKR	31st March 2021 No. of Shares	31st March 2021 LKR
Ordinary Voting Shares	2,221,304,615	500,869,225	2,221,279,615	498,369,225
Class B Ordinary Management Non-Voting	-	-	25,000	2,500,000
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 Ordinery Shares (Voting & Non-Voting)	31st March 2022 No of Share Holders	31st March 2022 No of Shares	31st March 2022 Per Centum	31st March 2021 No of Share Holders	31st March 2021 No of Shares	31st March 2021 Per Centum
1-1,000	-	-	-	-	-	-
1,001-10,000	-	-	-	-	-	-
over 1,000,000	1	2,221,304,615	0.23	1	2,221,304,615	0.23
Total	1	2,221,304,615	0.23	1	2,221,304,615	0.23

4 **TWENTY LARGEST SHAREHOLDERS**

Ordinary Voting Shares Class -A	Voting as at 31st March 2022 No of Share	Voting as at 31st March 2022 %	Voting as at 31st March 2021 No of Share	Voting as at 31st March 2021 %
Abans Retail Holdings (Private) Limited	2,221,304,615	0.23	2,221,304,615	0.23
	2,221,304,615	0.23	2,221,304,615	0.23

5 **PUBLIC HOLDING**

	2022	**2021**
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**	**2022**	**2021**
Group	4,335	3,710
Company	4,171	2,877

8 **DEBT SECURITIES RELATED DETAILS**

	Group 2022	Group 2021	Company 2022	Company 2021
Gearing Ratio	0.29	0.21	0.30	0.23
Quick Assets Ratio	1.06	0.89	0.97	0.70
Interest Coverage Ratio	6.63	4.17	6.64	4.30
Debt to Equity Ratio	0.40	0.26	0.43	0.30

9 **INTEREST RATE OF COMPARABLE GOVERNMENT SECURITY**

Debenture Issue 2019	Category 5 Years
Abans PLC	12.50%
Government	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

	Group				
As at 31 March	2022 LKR	2021 LKR	2020 LKR	2019 LKR	2018 LKR
ASSETS					
Non Current Assets					
Property, Plant and Equipment	2,262,159,614	1,455,581,294	1,314,896,935	1,374,930,571	1,289,794,534
Leasehold Land Payments	-	-	-	249,494,948	252,121,211
Investment Properties	199,800,000	338,010,500	461,000,000	411,295,700	368,483,400
Intangible Assets	1,638,573	7,470,214	47,417,467	60,161,321	62,321,966
Investments in Subsidiaries	-	-	-	-	-
Investment In Equity Accounted Investee	844,128,901	3,076,082,955	3,568,823,184	3,224,789,029	2,565,517,038
Right of Use Assets	2,380,320,788	1,899,244,138	1,860,545,338	-	-
Deferred Tax Assets	325,178,261	262,364,347	296,110,025	205,795,592	339,604,149
Other Non Current Financial Assets	15,000,000	15,000,000	15,080,400	15,080,400	15,180,400
Lease Rentals Receivable	-	-	2,293,476,122	2,164,843,153	3,639,772,364
Loans and Advances	-	-	936,030,271	738,430,688	699,362,751
	6,028,226,137	**7,053,753,448**	**10,793,379,742**	**8,444,821,402**	**9,232,157,812**
Current Assets					
Inventories	11,949,201,666	8,902,843,065	7,601,581,458	8,483,307,868	9,643,842,076
Trade and Other Receivables	10,230,763,563	5,851,560,792	8,407,261,614	10,047,608,157	11,641,390,353
Lease Rentals Receivable	-	-	3,560,851,491	3,090,169,126	852,523,831
Loans and Advances	-	-	934,551,986	1,348,206,614	1,694,617,561 -
Income Tax Receivables	-	-	268,459,983	401,884,337	378,301,672
Other Current Financial Assets	2,321,744,427	1,420,214,564	434,257,742	490,103,100	795,143,892
Securities Purchased under Repurchase Agreement	-	-	279,143,141	281,537,224	362,248,075
Cash and Short Term Deposits	1,309,100,964	577,920,718	1,303,771,796	685,625,260	998,411,077
	25,810,810,620	16,752,539,139	22,789,879,211	24,828,441,686	26,366,478,537
Assets held for Sale	10,470,029,735	9,228,413,602	-	-	-
Total Assets	**42,309,066,492**	**33,034,706,189**	**33,583,258,953**	**33,273,263,088**	**35,598,636,349**
EQUITY AND LIABLITIES					
Capital and Reserves					
Stated Capital	500,869,225	218,500,000	218,500,000	218,500,000	218,500,000
Other Components of Equity	639,360,133	639,360,133	673,470,899	652,785,481	614,474,187
Retained Earnings	11,663,859,983	8,613,288,309	7,214,664,329	7,165,059,899	6,660,402,634
	12,804,089,341	9,471,148,442	8,106,635,228	8,036,345,380	7,493,376,821
Reserves of a disposal group held for sale	347,573,105	261,511,347	-	-	-
Non-Controlling Interests	1,216,340,256	1,001,373,172	896,175,032	844,269,817	880,906,220
Total Equity	**14,368,002,702**	**10,734,032,961**	**9,002,810,260**	**8,880,615,197**	**8,374,283,041**
Non Current Liabilities					
Interest Bearing Borrowings	2,607,166,658	1,164,400,000	1,622,636,667	2,858,832,738	4,089,711,740
Lease liabilities	2,076,887,208	1,594,535,258	1,195,970,867	-	-
Deferred Tax Liabilities	73,149,617	66,307,821	50,027,798	44,981,468	40,922,077
Employee Benefits Liabilities	304,562,980	305,802,093	275,826,149	268,076,957	299,810,447
Trade and Other Payables	-	-	893,671,851	1,099,094,047	1,297,219,575
	5,061,766,463	**3,131,045,172**	**4,038,133,332**	**4,270,985,210**	**5,727,663,839**
Current Liabilities					
Warranty Provision	442,234,057	348,548,930	255,039,076	301,323,250	384,590,022
Trade and Other Payables	10,315,296,210	9,027,569,492	9,569,415,185	9,985,769,432	11,859,325,355
Income Tax Liabilities	326,358,973	349,317,200	47,853,948	8,822,247	-
Lease liabilities	619,135,867	598,008,253	915,158,234	-	-
Interest Bearing Borrowings	3,132,887,788	1,610,770,739	9,754,848,918	9,825,747,752	9,252,774,092
	14,835,912,895	11,934,214,614	20,542,315,361	20,121,662,681	21,496,689,469
Liabilities directly associated with assets held for sale	8,043,384,432	7,235,413,442	-	-	-
Total Equity and Liabilities	**42,309,066,492**	**33,034,706,189**	**33,583,258,953**	**33,273,263,088**	**35,598,636,349**

Company				
2022 LKR	2021 LKR	2020 LKR	2019 LKR	2018 LKR
1,285,276,956	1,455,581,294	1,187,236,005	1,232,284,592	1,028,267,905
-	-	-	249,494,948	252,121,211
199,800,000	338,010,500	461,000,000	411,295,700	368,483,400
1,638,573	7,470,214	18,069,265	27,389,805	39,392,067
75,000,010	2,751,680,000	3,218,824,336	3,218,824,336	3,350,205,286
78,212,351	78,212,351	30,752,197	30,752,197	30,752,197
2,380,320,788	1,899,244,138	1,779,295,005	-	-
325,178,261	262,364,347	267,530,039	186,522,004	166,190,844
15,000,000	15,000,000	15,000,000	15,000,000	15,100,000
-	-	-	-	-
-	-	-	-	-
4,360,426,939	**6,807,562,844**	**6,977,706,847**	**5,371,563,582**	**5,250,512,910**
11,945,887,245	8,902,843,065	7,561,868,842	8,430,497,092	8,421,261,747
10,245,581,953	5,944,121,964	8,232,407,631	9,783,319,788	11,511,575,105
-	-	-	-	-
-	-	-	-	
-	-	203,219,297	336,644,172	279,569,503
2,321,744,427	1,420,214,564	4,482,445	4,529,744	4,912,668
-	-	-	-	-
1,308,600,954	571,200,865	1,136,369,151	417,580,012	581,890,941
25,821,814,579	16,838,380,458	17,138,347,366	18,972,570,808	20,799,209,964
362,671,663	361,144,336	-	-	-
30,544,913,181	**24,007,087,638**	**24,116,054,213**	**24,344,134,390**	**26,049,722,874**
500,869,225	218,500,000	218,500,000	218,500,000	218,500,000
464,612,254	464,612,254	338,394,043	338,394,043	345,809,043
10,642,226,434	8,429,809,895	5,730,278,834	5,691,400,413	5,171,954,708
11,607,707,913	9,112,922,149	6,287,172,877	6,248,294,456	5,736,263,751
-	-	-	-	-
-	-	-	-	-
11,607,707,913	**9,112,922,149**	**6,287,172,877**	**6,248,294,456**	**5,736,263,751**
1,842,166,658	1,164,400,000	1,378,520,000	2,465,700,000	3,979,655,003
2,076,887,208	1,594,535,258	1,153,156,365	-	-
-	-	-	-	-
304,562,980	305,802,093	256,391,000	229,563,633	226,271,787
-	-	-	-	-
4,223,616,846	**3,064,737,351**	**2,788,067,365**	**2,695,263,633**	**4,205,926,790**
442,234,058	348,548,931	254,243,094	300,527,268	375,330,434
10,212,316,893	8,922,784,939	5,369,675,578	5,813,802,406	7,518,991,712
326,358,973	349,315,276	-	-	-
619,135,867	598,008,253	877,439,759	-	-
3,113,542,631	1,610,770,739	8,539,455,540	9,286,246,627	8,213,210,187
14,713,588,422	11,829,428,138	15,040,813,971	15,400,576,301	16,107,532,333
-	-	-	-	-
30,544,913,181	**24,007,087,638**	**24,116,054,213**	**24,344,134,390**	**26,049,722,874**

FIVE YEARS SUMMARY - STATEMENT OF PROFIT OR LOSS

	Group				
Year Ended 31 March	2022 LKR	2021 LKR	2020 LKR	2019 LKR	2018 LKR
Revenue	42,816,093,584	37,805,391,199	31,960,379,613	35,260,655,869	40,215,826,231
Cost of Sales	(31,420,694,817)	(27,878,664,567)	(22,699,209,110)	(24,663,692,004)	(29,327,293,359)
Gross Profit	11,395,398,767	9,926,726,632	9,261,170,503	10,596,963,865	10,888,532,872
Other Operating Income & Gain	217,850,845	173,930,113	251,619,160	944,560,358	906,765,853
Selling & Distribution Expenses	(4,326,634,689)	(4,015,404,932)	(4,104,606,530)	(4,909,179,144)	(5,814,994,813)
Administrative Expenses	(3,635,632,804)	(2,974,204,274)	(3,132,002,382)	(3,960,875,507)	(3,786,449,734)
Operating Profit	3,650,982,119	3,111,047,539	2,276,180,751	2,671,469,572	2,193,854,178
Finance Cost	(550,724,189)	(745,133,060)	(1,467,442,057)	(1,458,371,720)	(1,593,793,025)
Finance income	85,792,004	49,009,154	15,289,681	27,947,369	59,320,957
Change in Fair Value of Investment Properties	43,347,613	12,819,088	49,704,300	42,812,300	18,405,400
Share of Profit of Equity Accounted Investee (Net of Tax)	50,023,232	122,214,346	(5,925,918)	(70,385,763)	(123,881,345)
Profit/(Loss) Before Income Tax and Value Added Tax on Financial Services	3,279,420,779	2,549,957,067	867,806,757	1,213,471,758	553,906,165
Value Added Tax on Financial Services	(7,195,603)	(9,690,296)	(18,603,252)	(77,948,458)	(63,086,673)
Income Tax Expense	(598,355,294)	(688,527,048)	(397,729,759)	(212,283,926)	(154,927,224)
Profit / (Loss) for the year from continuing operations	2,673,869,882	1,851,739,723	451,473,746	923,239,374	335,892,268
Discontinued Operations : Profit for the year from discontinued operations	1,096,170,051	133,941,463	103,287,635	(18,223,987)	(160,532,128)
Profit for the year/ Comprehensive Income for the year, net tax	3,770,039,933	1,985,681,186	554,761,381	905,015,387	175,360,140
Profit/(Loss) attributable to;					
Equity holders of the parent	3,553,483,256	1,841,267,407	502,770,936	893,929,641	137,774,100
Non-Controlling Interest	216,556,677	144,413,779	51,990,445	11,085,746	37,586,040
	3,770,039,933	1,985,681,186	554,761,381	905,015,387	175,360,140
Earnings Per Share -Basic	1.60	0.83	0.23	0.40	0.06

Company				
2022 LKR	2021 LKR	2020 LKR	2019 LKR	2018 LKR
42,818,157,810	37,809,532,938	31,960,878,935	33,291,479,651	37,527,175,974
(31,420,694,817)	(27,878,354,219)	(22,689,728,637)	(23,782,151,253)	(28,129,729,269)
11,397,462,993	9,931,178,719	9,271,150,298	9,509,328,398	9,397,446,705
220,438,845	264,138,062	254,904,045	777,555,102	910,932,697
(4,326,634,689)	(4,018,224,007)	(4,109,820,496)	(4,749,884,515)	(5,507,950,119)
(3,634,602,515)	(2,974,482,576)	(3,127,057,783)	(3,162,658,028)	(2,818,591,732)
3,656,664,634	3,202,610,198	2,289,176,064	2,374,340,957	1,981,837,551
(550,724,189)	(745,133,060)	(1,467,442,057)	(1,458,371,720)	(1,588,949,872)
85,792,004	49,009,154	15,334,913	28,520,194	58,050,637
43,347,613	12,819,088	49,704,300	42,812,300	18,405,400
-	-	-	-	-
3,235,080,062	2,519,305,380	886,773,220	987,301,731	469,343,716
(7,195,603)	(9,690,296)	(18,269,380)	(7,501,184)	(2,843,347)
(591,513,498)	(672,247,025)	(392,683,426)	(105,621,010)	(44,402,671)
2,636,370,961	1,837,368,059	475,820,414	874,179,537	422,097,698
-	-	-	-	-
2,636,370,961	1,837,368,059	475,820,414	874,179,537	422,097,698
2,636,370,961	1,837,368,059	475,820,414	874,179,537	422,097,698
-	-	-	-	
2,636,370,961	1,837,368,059	475,820,414	874,179,537	422,097,698
1.19	0.83	0.21	0.39	0.19

Real Estate Portfolio

Location	Extent		Number	Range of Estimate for Unobservable Inputs	Valued in 31/03/2021 Valuation
				LKR	LKR
Freehold Property at Rathmalana					
Land	14.9	P	01	1,200,000	17,880,000
Building	5,162	sq.ft	01	2,025	10,453,044
Freehold Property at Liberty Plaza			01		
Shopping Block at Liberty Plaza Colombo	435	sq.ft	01	250	18,500,000
				30.00%	
Freehold Property at Kandy					
Land	11.094	P	01	13,800,000	153,097,200
Building	4,415	sq.ft	01	3,600	15,894,000
Freehold Property at Kalutara					
Land	24.46	P	01	1,115,372	27,282,000
Building	9,403	sq.ft	01	3,450	32,440,350
Freehold Property at Gampaha					
Land	17.52	P	01	3,650,000	63,948,000
Building	724	sq.ft	01	4,615	3,341,250
Freehold Property at Kurunegala					
Land	50	P	01	2,275,800	113,790,000
Building	4,300	sq.ft	01	760	3,267,000
Freehold Property at Rajagiriya					
Land	22	P	01	2,875,000	63,250,000
Building	3,687	sq.ft	01	1,650	6,083,550
Freehold Property at Wellawatta					
Land	25.65	P	01	5,000,000	128,250,000
Freehold Property at Rathmalana					
Land	15.00	P	01	1,200,000	18,000,000
Building	3,157	sq.ft	01	3,450	10,891,650
Freehold Property at Rathmalana					
Land	17.1	P	01	1,200,000	20,520,000
Building	3,690	sq.ft	01	3,250	11,992,500
Freehold Property at Nawala Road, Nugegoda					
Land	17.45	P	01	6,235,888	108,816,250
Building	4,925	sq.ft	01	6,000	29,550,000

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 an 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
Security.

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
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 organisation 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
Measures ability to meet its short-term obligations with its most liquid assets. [(Current Assets-Inventory)/ Current Liabilities]

RELATED PARTIES
Parties who can control or significantly influence the financial and operating politics of the entity.

SECURITY
(Also known as Collateral) is property or assets that a lender can take possession of, in the event that a loan cannot be repaid.

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 operations

Notes

Notice of meeting

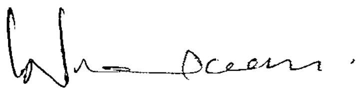
Notice is hereby given that the ANNUAL GENERAL MEETING of the Company will be held at Head Office of Abans PLC on 29th July 2022 at 10.00 a.m for the following purposes.

1. To receive and adopt the Report of the Directors, the Audited Statement of Accounts of the Company for the year ended 31st March 2022 and Report of the Auditors thereon.

2. To re-elect Mrs. Aban Pestonjee, Director of the Company who being over seventy years of age retires in accordance with Section 210 and 211 of the Companies Act No.07 of 2007. The Directors recommend the re-election of Mrs. Aban Pestonjee as a Director of the Company.

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.

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. Behman Pestonjee	of Colombo or failing him
Mr. Rusi Pestonjee	of Colombo or failing him
Mr. Rajaratnam Selvaskandan	of Colombo or failing him
Mr. Dinesh Stephan Weerakkody	of Colombo or failing him
Ms. D.A.R.C. Perera	of Colombo or failing her

....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 29th July 2022 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 Report of the Directors and the Audited Financial Statements for the year ended 31st March 2022 and the Report of the Auditors thereon.		
To re-elect Mrs. Aban Prestonjee, as a Director of the Company in terms of article 4.1 of Part II of the Articles of Associations and Section 210 and 211 of the Companies Act No.07 of 2007.		
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 2022

Witness : ....
(*Please delete inappropriate words.)

Instructions on Completing the 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 Center, 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 Center, Echelon Square, Colombo 01.

Lawyers
Varners International (Pvt) Ltd., Level 14, West Tower, World Trade Center, Echelon Square, Colombo 01.

Bankers
Amana Bank Ltd.
Bank of Ceylon
Cargills Bank Ltd.
Commercial Bank of Ceylon PLC
DFCC Bank PLC
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 Corporation Ltd. (HSBC)
Union Bank of Colombo PLC

VAT Registered No.
104080065 - 7000

Tax Payer Identification Number
104080065

Board of Directors
Mrs. Aban Pestonjee - Chairperson/Executive Director
Mr. Behman Pestonjee - Managing Director/Executive Director
Dr. Saroshi Dubash - Executive Director
Mrs. Chandrika Perera - Executive Director
Mr. Rusi Pestonjee - 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