ABANS FINANCE PLC

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF FINANCIAL POSITION

SELECTED KEY PERFORMANCE INDICATORS

Year ended 31 March	2021	2020	As at 31 March		2021	2020	Item	2021		2020		
	Rs.	Rs.		Rs. Rs.								
Income	1 841 057 823	2,037,875,522	Assets		226 002 542	146 041 600	Regulatory Capital Adequacy (%)		Required	Actual	Required	
income	1,041,037,023	2,037,073,322	Cash and Bank Balances Placement With Banks		226,092,543 207,264,972	146,941,688 204,354,154	Tier 1 Capital Adequacy Ratio	11.98	6.5	9.76	6.5	
Interest Income	1,686,328,068	1,838,845,339	Repurchase Agreements		942,235,676	279,143,141	Total Capital Adequacy Ratio	13.06	10.5	10.84	10.5	
Interest Expense	(654,608,735)	(876,732,041)	Loans and Advances		1,379,508,592	1,920,095,538	Capital Funds to Deposit Liabilities Ratio	39.09	10	31.8	10	
Net Interest Income	1,031,719,333	962,113,298	Lease Rentals Receivable & Stock ou		6,027,133,949	5,854,327,613						
Foo and Commission Income	120 000 512	105 760 201	Equity Instruments at Fair Value thro		80,400	80,400	Quality of Loan Portfolio) (%)					
Fee and Commission Income Fee and Commission Expense	129,899,513 (22,341,043)	185,760,201 (13,633,994)	Debt Instruments at Amortized Cost	st	13,684,192	225,421,143	Gross Non-Performing Loans Ratio	23.42		21.59		
Net Fee and Commission Income	107,558,470	172,126,207	Other Financial Assets Real Estate Stock		99,842,557 31,066,726	96,487,549 39,313,213	Net-Non-Performing Loans Ratio	4.16		4.52		
Neer ee and commission meonic	107,550,170	172,120,207	Other Non Financial Assets		49,289,851	63,953,134	Net-Non-Performing Loans to Core Capital Ratio	18.24		24.21		
Net Gain/(Loss) from Trading	320,000	240,800	Property, Plant & Equipment		146,041,713	70,332,907	Provision Coverage Ratio	63.47		62.78		
Other Operating Income (net)	24,510,242	13,029,183	Intangible Assets		33,866,422	29,339,420						
			Right-of- use Assets		62,490,872	81,250,333	Profitability (%)					
Total Operating Income	1,164,108,045	1,147,509,487	Deferred Tax Assets		9,815,140	45,073,647	Net Interest Margin	11.02		10.57		
			Total Assets		9,228,413,605	9,056,113,880	Return on Assets	3.14		1.15		
Credit Loss Expense on Financial Assets and Other Losses	(108,266,753)	(333,253,807)	Liabilities				Return on Equity	15.82		6.52		
The state and a st	(100)200)	(555)255)557	Due to Banks		380,234,236	809,672,688	Cost to Income Ratio	45.78		50.42		
Net Operating Income	1,055,841,292	814,255,681	Due to Customers		4,918,802,137	5,148,142,044						
			Other Borrowed Funds		1,210,632,535	649,837,356	Liquidity (%)					
Operating Expenses	/		Other Financial Liabilities		535,607,003	720,063,470	Available Liquid Assets to Required Liquid Assets					
Personnel Costs Depreciation & Amortization	(273,473,301)	(269,968,327)	Other Non Financial Liabilities		15,877,158	23,791,226	(Minimum 100%)	438.75		238.30		
Other Operating Expenses	(68,844,612) (190,643,922)	(68,916,552) (239,636,409)	Current Tax Liabilities		147,245,448	47,853,948	Liquid Assets to External Funds		11.19			
Cities Operating Expenses	(190,043,922)	(239,030,409)	Retirement Benefit Liability Total Liabilities	ent Benefit Liability 27,014,926 19,435,147								
Operating Profit before Taxes on Financial Services	522,879,457	235,734,393	Total Liabilities		7,235,413,443	7,410,795,679	Memorandum information					
Taxes on Financial Services	(95,713,451)	(81,785,541)	Shareholders' Funds				Number of Branches	10		10		
			Stated Capital		1,121,412,955	1,121,412,955	Number of Service Centers	9		13		
Profit before Taxation from Operations	427,166,006	153,948,852	Statutory Reserve Fund		191,107,440	133,669,250	External Credit Rating (FITCH Ratings Lanka Ltd)	A (lka)		BB+(lka) /Nega	ative	
Duantician for la como Tourtion	(120.075.056)	(50.531.750)	Revaluation Reserve		70,403,907	-		, , , , , ,				
Provision for Income Taxation Profit for the Year	(139,975,056) 287,190,950	(50,521,758) 103,427,094	Retained Earnings		610,075,860	382,235,796	-					
Profit for the real	207,190,930	103,427,034	Total Shareholders' Funds		1,993,000,162	1,637,318,001	Regulatory Deposit Restrictions					
Other Comprehensive Income (OCI)			Total Liabilities and Shareholders' Funds 9,228,413,605 9,056,113,880 Cap on total Deposits (Rs. mn) 6000									
Items that will not be reclassified to profit or loss Actuarial Gains/(Losses) on Defined Benefit Plan	(2,516,706)	(235,217)					to absorb losses without affecting depositors and co					
Deferred Tax Effect of above	604,010	65,861		capital by risk weighted assets as specified by the Direction, and high ratio indicates better loss absorption capacity. Performing Loans ratio Indicates level of non-paying loans and advances included in the total loans portfolio of the financial institution. High ratio indicates assets quality and high credit risk.							oor	
Determent that Effect of above	(1,912,696)	(169,356)										
Items that will be reclassified to profit or loss				e ratio Indicates the adequacy level of provision to cover problem loans and advances. A higher ratio with a higher capital adequacy ratio means that the financial institution can withstand future credit losses better, including unexpected losses beyond the loan loss provision Indicates profitability of the core business operation of the financial institution. i.e. granting loans and advances and accepting deposits.							eans	
Surplus from Revaluation of Property, Plant & Equipment	89,459,907	-	t									
Deferred Tax Effect of above	(19,056,000)	-										
	70,403,907	_	Cost to income ratio	Represents	operating expens	se, excluding impa	airment charges on loans and advances as a percent	age of ne	t revenue (r	net interest inc	ome	
Other Comprehensive Profit/(Loss) for the Year, Net of Tax	68,491,211	(169,356)		and other income). Lower ratio will resultant in higher profitability. A liquid asset is an asset that can easily be converted into cash.								
Total Comprehensive Income for the Year	355,682,161	103,257,738		A liquid asset is an asset that can easily be converted into cash. Maximum limit imposed by the CBSL.								
							mposed by the CBSL.					
			Freezing	An order of CBSL that is in place preventing further transactions of the Company.								
Earnings Per Share : Basic / Diluted (Rs.)	4.31	1.55	Tier 1 Capital	Represents permanent shareholder equity and reserves.								
These Financial Statements are in compliance with the require		Represents Tier 1 and supplementary capital including instruments with characteristics of equity and debt, revaluation gains, impairment						nent				
07 of 2007.		allowances.										
(Sgnd.)				Sum of on-balance sheet risk weighted assets and the total credit equivalent of risk weighted off-balance sheet assets. Tier 1 capital as a percentage of risk weighted assets								
B G P Samantha (Chief Financial Officer)					al as a percentage							
The Board of Directors is responsible for the Financial Statements. Signed for and on behalf of							ny other securities approved by the CBSL.					
the Board by,			Non-Performing Loan	A loan in which the borrower has defaulted and hasn't made scheduled payments of principal or and / interest as per the stipulated								
(Sand)		(Sgnd.)		guidelines issued by CBSL.								
(Sgnd.) H C Embuldeniya (Director)		Annualised net interest income (interest income less interest expenses) as a percentage of interest earning assets (Based on average values).										
		Annualised profit after tax as a percentage of total assets (Based on average values).										

APAG/PML/DM

15-Jun-21, Colombo

Ernst & Young Chartered Accountants 201 De Saram Place P.O. Box 101

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Sri Lanka

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABANS FINANCE PLC

Report on the audit of the financial statements

We have audited the financial statements of Abans Finance PLC ("the Company"), which comprise the statement of financial position as at 31 March 2021, and the 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 give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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

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.

Other information included in the 2021 Annual Report

Other information consists of the information included in the Company's 2021 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2021 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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 management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company'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 manag intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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

1 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.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

4.Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 Company to Key audit matter

Return on Equity

External Funds

Impairment allowance on loans & leases:

This was a key audit matter due to:

with the calculations.

As at 31 March 2021, loans & advances and receivables from lease & hire purchase (net of impairment) amounted to Rs. 1,380 Million (Note 20) and Rs. 6,027 Million (Note 21) respectively net of total allowance for impairment of LKR 992.5 Million (Note 20.1 and 21.1). These collectively contributed 80% to the Company's total assets.

Includes only deposits and borrowings.

Annualised profit after tax as a percentage of total capital (Based on average values).

As described in Note 4.1.10, impairment allowance on such financial assets carried at amortized cost is determined in accordance with Sri Lanka Accounting Standards -SLFRS 9 Financial Instruments (SLFRS 9).

 Materiality of the reported impairment allowance which involved complex spread sheets calculations; and • The degree of assumptions, judgements and estimation uncertainty associated

Key areas of significant judgements, estimates and assumptions used by management in the assessment of the impairment allowance included the

• The probable impacts of COVID-19 and related industry responses (e.g.government stimulus packages and debt moratorium relief measures granted by the company);

 Forward-looking macroeconomic factors, including developing and incorporating macroeconomic scenarios, given the wide range of potential economic outcomes and probable impacts from COVID-19 that may impact future expected credit losses.

IT systems and controls relevant to financial reporting

The Company uses multiple IT systems in its operations. We selected IT systems and controls relevant to financial reporting as a key audit matter due to:

 The Company's financial reporting process being heavily dependent on information derived from its IT systems and

 Key financial statement disclosures involving the use of multiple system - generated reports and calculations there on

A changed working environment of increased remote access

Impact of moratoriums and other relief measures on recognition of interest income Moratoriums and other relief measures were granted by the Company to customers

affected by the COVID - 19 Pandemic. Impact of moratoriums and other relief measures on the recognition of interest revenue on loans & receivables and lease rentals receivable & stock out on hire was

• Significant judgments that were applied in determining whether such moratoriums and other relief measures have resulted in substantial modifications or not, to contracts with customers as set out in Note 4.1.10.(iv) to the financial

• Use of spread sheet-based calculations by management to quantify the impacts of such moratoriums and other relief measures on the amount of revenue recognized

5. 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.

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

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

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

Report on Other Legal and Regulatory Requirements

a key audit matter due to:

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. 15 June 2021

How our audit addressed the key audit matter

We assessed the alignment of the company's impairment computations and underlying methodology with the requirements of SLFRS 9 with consideration of COVID-19 impacts and related industry responses based on the best available information up to the date of our report. Our audit procedures included amongst others the following

 We evaluated the design, implementation and operating effectiveness of controls where relevant over estimation of impairment of loans and advances, which included assessing the level of oversight, review and approval of impairment policies by the Board Audit Committee and management.

• We checked the completeness and accuracy of the underlying data used in the computations by agreeing significant details to source documents and accounting records of the

We test–checked the underlying calculations.

· In addition to the above, following focused procedures were performed: For a sample of loans and advances individually assessed for impairment:

- Assessing the appropriateness of the criteria used by the management to determine whether there are any indicators of impairment; and

Evaluating the reasonableness of the provisions made with particular focus on the impact of COVID-19 on elevated risk industries, strategic responsive actions taken, collateral values, and the value and timing of future cashflows. For loans and advances

Assessing the reasonableness of assumptions and estimates used by management

including the reasonableness of forward-looking information and scenarios; and

- As relevant, assessing the basis for and data used by management to determine overlays in consideration of the probable effects of the COVID-19 pandemic.

We assessed the adequacy of the related financial statement disclosures as set out in Note(s) 20 and 21.

Our audit procedures included the following;

 Understanding the security monitoring procedures over IT systems relevant to financial reporting, given the increase in remote access Understanding and evaluating the design and operating effectiveness of key automat-

ed, IT dependent and manual controls implemented by management over generation of multiple system reports and gathering of required information in calculating the significant information for financial statements disclosures

Checking the source data of the reports used to generate significant disclosures for

accuracy and completeness Assessing the reasonability of management's general ledger reconciliation procedures

which includes cross checking to system reports and source data where relevant

Our audit procedures (among others) included the following;

• We gained an understanding of the process adopted by the Company to grant, record and account for moratoriums and other relief measures provided to customers

• We assessed the reasonableness of judgements applied by management in determining whether moratoriums and other relief measures have resulted in substantial modifications or not, to customer contracts. This included evaluating whether interest income on modified contracts have been recognized in line with its accounting policy for interest

• We tested the accuracy of underlying spread sheet-based calculations. Our procedures included testing the completeness and accuracy of the data used in such spread sheet-based calculations, by agreeing to source documents and moratorium customer

Abans Finance PLC,

No. 456, R. A. De Mel Mawatha, Colombo 03.

Licensed Finance Company by the Monetary Board of Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011

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අබාන්ස් ෆිනෑන්ස් පී එල් සී

2021 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා විගණනය කරන ලද මූලප පුකාශන

විස්තීර්ණ ආදායම් පු		මූලぉ තත්වය පිලිබඳ	<u>ප</u> ුකාශය		කාර්යප සාධන දර්ශකයන්						
මාර්තු 31 දිනනේ අවසන් වර්ෂය සඳහා	2021 (රු')	2020(ర్వా)	මාර්තු 31 දිනට	2021(රු′)	2020(ర్మా')	අයිතම		2021		2020	
ආදාගම	1,841,057,823	2,037,875,522	වත්කම්				තථස	අවශෘ	තථෂ	අවශස	
	1	4 020 045 220	මුදල් හා බැංකු ශේෂයන්	226,092,543	146,941,688	නියාමන පාග්ධන පමාණාත්මතාවය (%)					
පොලි ආදායම	1,686,328,068	, , ,	බැංකුවල ඇති තැන්පතු	207,264,972	204,354,154	වන ස්ථරයේ පුාග්ධන පුමාණාත්මකතා අනුපාතය	11.98	6.50	9.76	6.50	
පොලි වියදම පෝට පොලී නාගමේ	(654,608,735)		පුතිමිලදි ගැනිම් ගිවිසුම්	942,235,676	279,143,141	මුළු පාග්ධන පුමාණාත්මකතා අනුපාතය	13.06	10.50	10.84	10.50	
ශ්ද්ධ පොලි ආදාගම	1,031719,333	962,113,298	ණය හා අත්තිකාරම්	1,379,508,592	1,920,095,538	අරමුදල් පුාග්ධනයට තැන්පතු වගකිමි අනුපාතය	39.09	10.00	31.80	10.00	
 ගාස්තු හා කොම්ස් ආදායම	129,899,513	185,760,201	ලැබිය යුතු කල්බදු වාරික සහ කුලි පදනම මත								
ගාස්තු හා කොමිස් වියදම	(22,341,043)	, ,	කුලියට ගැනීම	6,027,133,949	5,854,327,613	drag as mode as drawd Streets Street					
ශුද්ධ ගාස්තු හා කොම්ස් ආදායම	107,558,470	172,126,207	වෙනත් විස්තිරණ ආදායම් මගින් සාධාරණ අගයට		00.400	ණය කළඹේ ගුණාත්මකතාවය (%)					
den mad m omen dispar	107,555,175	1,2,120,20,	නම් කල ස්කන්ධ උපකරණ	80,400	80,400	 දළ අකිුය ණය අනුපාතය	23.42 21.		.59		
වෙළඳාම් කටයුතු වලින් ලද ශුද්ධ ලාභය / (අලාභය)	320,000	240,800	කුමක්ෂය පිරිවැය යටතේ වන ණය උපකරණ	13,684,192	225,421,143	ශ්ද්ධ අකුිය ණය අන්සානය 				.52	
වෙනත් මෙහෙයුම් ආදායම් (ශුද්ධ)	24,510,242		වෙනත් මුලප වත්කමි	99,842,557	96,487,549	ශුද්ධ අකුිය ණයට මූලික පාග්ධන අනුපාතය 		.10		.21	
			තටික දේපල	31,066,726	39,313,213	වෙන් කිරීම් ආවරණ අනුපාතය		63.47		.78	
මුව මෙහෙයුම් ආදායම	1,164,108,045	1,147,509,487	වෙනත් මූලප නොවන වත්කම්	49,289,851	63,953,134	विद्या क्षांच्या प्रदेशीय विद्यालय	33.17				
			දේපල පිරියත හා උපකරණ	146,041,713	70,332,907	ලානදායිත්වය (%)					
ණය හා හානිකරණය වෙනුවෙන් පුතිපාදනය කිරිම්	(108,266,753)	(333,253,807)	අස්පෘශප වත්කමි	33,866,422	29,339,420						
			භාවිත අයිති වත්කම් බි මේම කර වන්නම්	62,490,872	81,250,333	 ශුද්ධ පොලි ආන්තිකය	11	.02	10	.57	
ශුද්ධ මෙහෙයුම් ආදාගම	1,055,841,292	814,255,681	විලම්බිත බදු වත්කම්	9,815,140	45,073,647	වත්කම් මත පුතිලාභ	3	.14	1	.15	
			මුළු වත්කම්	9,228,413,605	9,056,113,880	හිමිකම් මත පුතිලාභය		15.82		6.52	
මෙහෙයුම් වියදම්			වගකිමි			ආදායම් මත පිරිවැය අනුපාතය	45	.78	50	.42	
සේවක මණ්ඩල වියදම්	(273,473,301)	, , , ,		200 224 226	809,672,688		\vdash				
කෂයවීම් හා කුමක්ෂයවීම්	(68,844,612)	(///	බැංකුවලට ගෙවිය යුතු ද, ගනුදෙනුකරුවන්ට ගෙවිය යුතු ද,	280,234,236 4,918,802,137	5,148,142,044	දුවශිලතාවය (%)					
වෙනත් මෙහෙයුම් වියදම්	(190,643,922)	(239,636,409)	නිකුත් කරන ලද ණය මෙවලම සහ අනෙකුත් ණය	4,910,002,137	3,146,142,044						
			ලබා ගත් අරමුද,ල්	1,210,632,535	649,837,356	🛮 පවතින දුවශිල වත්කම් වලට දුවශිල වත්කම් අනුපාතය:(අවම 100%)			238		
වකතුකල අගය මත බද්දට හා ණය ආපසු ගෙවීමේ			ලාන ගත අටමුදල වෙනත් මූලූූූූූ වගකීම්	535,607,003	720,063,470	දුවශිල වත්කම් වලට බාහිර අරමුදල් අනුපාතය	20.	14	11	.19	
බද්දට පෙර මෙහෙයුම් ලාත/(අලාත)	522,879,457	235,734,393	වෙනත් මූලය පහාඩම වෙනත් මූලය නොවන වගකීම්	15,877,158	23,791,226		 				
	(05.710.451)	(01 705 541)	වත්මන් බදු වගකිම්	147,245,448	48,853,948	නාමික තොරතුරු					
මූලප සේවාවන් මත බදු හා ණය ආපසු ගෙවීමේ අය බද්ද	(95,713,451)	(81,785,541)	විශුම පුතිලාභ වගකිමි	27,014,926	19,435,147			10		10	
බදු පෙර මෙහෙයුම් ලාභය	427,166,006	153,948,852	මළු වගකිම්	7,235,143,443	7,418,795,879	(ශාඛ) ගණන		10		10	
	427,100,000	155,946,652		7,233,143,443	7,410,755,075	සේවා මධ්යස්ථාන ගණන		9 A (lka)		13 Nagative	
ආදායම් බදු සදහා වෙන් කිරීම්	(139,975,056)	(50,521,758)	ස්කන්ධ පාග්ධනය			ඛාතිර ණය ශුේණිය (ෆිවි රේටින් ලංකා ලිමිටඩි)	1 ^'	(INa)	DD+(lka)/	Nagative	
වර්ෂය සදහා ලාභය	287,190,950	103,427,094	පුකාශිත පාග්ධනය	1,121,412,955	1,121,412,955						
	20771707750	103/12//051	වු විසුවස්ථාපිත සංචිත අරමුද,ල	191,107,440	133,669,250						
වෙනත් විස්තිර්ණ ආදායම්			පුතනගණන සංචිත	70,403,907	-	 නියාමන තැන්පත සිමා පැනවීම					
ලාතය හෝ අලාතය යටතට නොගැනෙන ශුද්ධ			රද,වා ගත් ඉපයුම් සංචිතය	612,075,860	382,235,796	මළු තැන්පත සඳහා උපරිම සීමාව (රු මිලියන)					
වෙනත් විස්තිර්ණ ලාතය			මුළු ස්කන්ධ පාග්ධනය	193,000,162	1,637,318,001	අඩ කළ යුතු තැන්පතු පුමාණය - මසකට/ කාර්තුවකට/ වසරකට	6,0	000	6,0	000	
නිෂ්චිත පුතිලාභ සැලසුම් මත ආයු ගණන ලාභය / (අලාභය)	(2,516,706)	235,217			, , , , , , , , , , , , , , , , , , , ,	(රුපියල් මිලියන) තැන්පතු අත්හිටුවීම්					
ආයු ගණන ලාභය / (අලාභය) මත විලම්හිත බදු	604,010	(65,861)	මුළු වගකීම් හා ස්කන්ධ පාග්ධනය	9,228,413,605	9,056,113,880						
	(1,912,696)	(169,356)									
ලාභය හෝ අලාභය යටතට නොගැනෙන ශුද්ධ වෙනත් විස්තිර්ණ ලාභය			පාග්ධන පමාණාත්මකතා අවශනතා අනුපාත - මෙමගින් අ කරනු ලබන්නේ ශී ලංකා මහබැංකුව විසින් නිකුත් කර අ දුරුපි නම් එම ආයතනයේ පාඩ දැරීමේ හැනියාව ඉනුදැර	තැම්පතුකරුවන්ට සැ ඇති විධානයේ නියම බව මෙමගින් පෙන්න	හ ණය හිමියන්ට බලෑ කර ඇති පරිදි පාග්ධ මේ කරයි	පෑමක් නොමැතිව අලාභ අවශෝෂණය කර ගැනීමට මුලුන ආයතනයට ඇති හැකිය නය, අවදානම් මත බර තැබූ වත්කම් වලින් බෙදීමෙනි. ආයතනයේ පාශ්ධන පුමාණ	ාව පෙන්නුම් අ ාත්මක අවශැ	තරයි. මෙම (තො අනුපාත	අනුපාතය ගෘ ඉහල අගයඃ	නනය ක්	
දේපල පිරියත උපකරණ නැවත ඇගයිමේ අතිරික්තය	89,459,907	-									
නැවත ඇගයිමේ අතිරික්තය මත විලම්භිත බදු	(19,056,000)	-	් අඛ්ය ණය අනුපාතය - මුල¤ ආයතනයේ සමස්ත ණය ක ඉහළ ණය අවදානම පෙන්නුම් කරයි.	ාලඹෙහ් ඇතුලත්ව අ	ැත නොගෙවූ ණය සහ	ා අත්තිකාරම් වල අනුපාතය පෙන්නුම් කරයි. මෙම අනුපාතය ඉහළ අගයක් පැවතී	<u>මෙ</u> න් වත්කම්(වල පවතින	දුර්වලතාවය	සහ	
	70,403,907	-		සෙවතින ණාල සහ සං	්තිතාරම් සාවරණය නි	වීරීම සදහා සාලනන මගින් සිදු තර සැති වෙන්තිරීම් වන සමාණාන්මනනාවය වෙමිනි		തർദ്ദ് ഭയങ) കുടക്കുട്ടാരു ദ [ൂ]	#9.80	
වර්ෂය සදහා වෙනත් විස්තිර්ණ ලාභය / (අලාභය)	68,491,211	(169,356)	පාග්ධන පුමාණාත්මකතා අවශසතා අනුපාතයේ ඉහළ අග	ායක් පැවිතීම යනු මු	ලූ ආයතනයට ණය	බ්රීම සදහා ආයතන මගින් සිදු කර ඇති වෙන්කිරීම් වල පුමාණාත්මකතාවය මෙමගි අලාභ ද ඇතුළුව අනාගතයේ දී සිදුවන ණය පාඩු වලට වඩාත් හොදින් ඔරොත්තු	දීය හැකි බව(3.	, 4510101@C		

මෙම මලප පකාශය 2007 අංක 07 දරණ සමාගම් පනතෙ විධිවිධාන අනුව පිළියෙල කරන ලදී.

B.G.P සමනත (අතසන කළේ) පුධාන මුලප නිලධාරී

වර්ෂය සදහා වූ මුළු විස්තිර්ණ ආදායම

වනපාර කොටසක මුලික ඉපයුම : (රු)

මෙම මූලුප පුකාශන පිළියෙල කිරීම හා ඉදිරිපත් කිරීම සම්බන්ධයෙන් සමාගමේ අධපකෂ මණඩලය වගකීමට බැඳේ. අධ්යක්ෂ මණඩලය වෙනුවෙන අත්සන් කලේ

Н С ඇඹුලදෙනිය (අතසන කළෙ) අධපසඝ

2021 ජූනි 15

K J C පෙරේරා (අතසන කලේ)

355,682,161

103,257,738

APAG/PML/DM

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABANS FINANCE PLC

Report on the audit of the financial statements

We have audited the financial statements of Abans Finance PLC ("the Company"), which comprise the statement of financial position as at

31 March 2021, and the 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 give a true and fair view of the financial position of the Company as at 31 March

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. ties in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide

2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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 ou opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit

 $We have {\it fulfilled} the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report of the financial statements of the financial statement of the fi$ 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 procedure performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Other information included in the 2021 Annual Report

Other information consists of the information included in the Company's 2021 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2021 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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 management and those charged with governance for the financial statements.

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 appropriately the properties of these forces in the same properties. expected to influence the economic decisions of users taken on the basis of these financial stateme

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

1. 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.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

Kev audit matter

බාහිර අරමුදල් - තැන්පතු සහ ණය ගැනීම් පමණක් අන්තර්ගත වේ

As at 31 March 2021, loans & advances and receivables from lease & hire purchase (net of impairment) amounted to Rs. 1,380 Million (Note 20) and Rs. 6,027 Million (Note 21) respectively net of total allowance for impairment of LKR 992.5 Million (Note 20.1 and 21.1). These collectively contributed 80% to the

වත්කම් මත පුතිලාන - බදු පසු ඇස්තමේන්තුගත වාර්ෂික ලාභය මුළු වත්කම් වල පුතිශතයක් ලෙස නිරුපණය වේ. (සමාන¤ය අගය මත පදනම්ව; **හිමිකම් මත පුතිලාත –** බදු පසු ඇස්තමේන්තුගත වාර්ෂික ලාතය මුළු පුග්ධනයේ පුතිශතයක් ලෙස (සමාන_්ය අගය මත පදනම්ව) නිරුපණය වේ.

ශුද්ධ පොලි ආන්තිකය - මුලුන ආයතනයේ මුලික වනපාර මෙහෙයුම් වල ලාභදායිත්වය මෙමගින් පෙන්නුම් කරයි. එනම් ණය සහ අත්තිකාරම් ලබාදීම සහ තැන්පතු බාර ගැනිමයි.

සම්ස්ත පාශ්ධනය - පළමු ස්ථරයේ පාශ්ධනය සහ අතිරේක පාශ්ධනය (හිමිකම් පාශ්ධනය සහ ණයවල විවිධ ස්වරූපයන් සහිත උපකරණ, පුතුහගණන ලාභ, හානිකරණ දීමනා වැනි අතිරේක පාශ්ධනයට ඇතුලත්වේ

අතිය ණය - ශුි ලංකා මත බැංකුව විසින් නිකුත් කරන ලද මාර්ගොපදේශයන්ට අනුකුලව ණයගතියා විසින් ගිවිසුම් ගත පරිදි වාර්කයන්ති මුල් පාග්ධනය හෝ සහ/පොළිය නියමිත පරිදි ගෙවා නොමැතිව පැහැර හැර ඇති ණය මුදුලකි.

අවදානම් මත බර තැබූ වත්කම් - ශේෂ පතුයේ සදහන් අවදානම් මත බර තැබූ වත්කම් සහ මුළු ණය කළඹට සමාන අවදානම් මත බර තැබූ ශේෂ පතුයෙන් පරිබාහිර වත්කම් යන ද්විත්වයේ එකතුව වේ

ශුද්ධ පොලි ආන්තිකය - ඇස්තමේන්තු ගත වාර්ෂික ශුද්ධ පොලි ආදායම (පොලි ආදායමෙන් පොලි වියදම් අඩු කිරීමෙන් පසු) පොලි උපයන වත්කම් වල පුනිශතයක් ලෙස (සමානඃය අගය මත පදනම්ව,

දුවශීල වත්කම් - දුවශීල වත්කම් යනු කෙටි කාල සීමාවකදී පහසුවෙන් මුදල් බවට පරිවර්තනය කල හැකි වත්කම් වේ.

පළමු ස්ථර පාශ්ධන අනුපාතය - පළමු ස්ථර පාශ්ධනය, අවදානම් මත බර තැබූ වත්කම් වල පුතිශතයක් ලෙස නිරුපණය කිරිම

අරමුදල් පාත්ධනය - ගෙවන ලද පාත්ධනය, ස්ථිර නිදහස් සංචිත සහ ශීු ලංකා මහ බැංකුව විසින් අනුමත කරන ලද වෙනත් සුරැකුම්පත්.

සමස්ත පාග්ධන අනුපාතය - සමස්ත පුාග්ධනය, අවධානම් මත බර තැබූ වත්කම් වල පුතිශතයක් ලෙස නිරුපණය කිරීම

අඩු කිරීම් - ශූී ලංකා මහා බැංකුව විසින් පනවන ලද විධාන වලට අනුකුලව අදාළ වනපාර මෙහෙයුම් අඩු කිරීම්

පසුම ස්ථරයේ පාග්ධනය - කොටස් හිමියන්ගේ ස්ථිර කොටස් සහ ස්ථිර සංචිත මෙමගින් නිරුපණය කරයි

අත්තිටුවීම් - ශූී ලංකා මහා බැංකුවේ නියෝග මත මුදල් සමාගමේ අදාළ ගනුදෙනු අත්හිටුවීම

සීමාවන් - ශීූ ලංකා මහා බැංකුව විසින් නියම කරන ලද උපරීම සිමාවන් වේ.

As described in Note 4.1.10, impairment allowance on such financial assets carried at amortized cost is determined in accordance with Sri Lanka Accounting Standards – SLFRS 9 Financial Instruments (SLFRS 9)

This was a key audit matter due to

· Materiality of the reported impairment allowance which involved complex spread sheets calculations

• The degree of assumptions, judgements and estimation uncertainty associated with the calculations. Key areas of significant judgements, estimates and assumptions used by management in the assessment

of the impairment allowance included the following • The probable impacts of COVID-19 and related industry responses (e.g.government stimulus packages

Forward-looking macroeconomic factors, including developing and incorporating macroeconomic

scenarios, given the wide range of potential economic outcomes and probable impacts from COVID-19 that may impact future expected credit losses

IT systems and controls relevant to financial reporting

The Company uses multiple IT systems in its operations. We selected IT systems and controls relevant to financial reporting as a key audit matter due to

The Company's financial reporting process being heavily dependent on information derived from its IT systems and

system - generated reports and calculations there or

Impact of moratoriums and other relief measures on recognition of interest income

Moratoriums and other relief measures were granted by the Company to customers affected by the

receivables and lease rentals receivable & stock out on hire was a key audit matter due to: · Significant judgments that were applied in determining whether such moratoriums and other relief e resulted in substantial modifications or not, to contracts with customers as set out in Note

Use of spread sheet-based calculations by management to quantify the impacts of such moratoriums and other relief measures on the amount of revenue recognized for the period

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 Company to cease to continue as a going concern.

5.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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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



How our audit addressed the key audit matte

We assessed the alignment of the company's impairment computations and underlying methodology with the requirements of SLFRS 9 with consideration of COVID-19 impacts and related industry responses based on the best available information up to the date of our report. Our audit procedures included amongst others the

We evaluated the design, implementation and operating effectiveness of controls where relevant ov which included assessing the level of oversight, review and approval of impairment policies by the Board Audit Committee and management.

We checked the completeness and accuracy of the underlying data used in the computations by agreeing

significant details to source documents and accounting records of the company.

In addition to the above, following focused procedures were performed:

For a sample of loans and advances individually assessed for impairment: Assessing the appropriateness of the criteria used by the management to determine whether there are any

Evaluating the reasonableness of the provisions made with particular focus on the impact of COVID-19 on

elevated risk industries, strategic responsive actions taken, collateral values, and the value and timing of future cashflows. For loans and advances collectively assessed for impairment: Assessing the reasonableness of assumptions and estimates used by management including the

reasonableness of forward-looking information and scenarios; and

As relevant, assessing the basis for and data used by management to determine overlays in consideration of the probable effects of the COVID-19 pandemic

Our audit procedures included the following;

· Understanding the security monitoring procedures over IT systems relevant to financial reporting, given the

manual controls implemented by management over generation of multiple system reports and gathering of required information in calculating the significant information for financial statements disclosures Checking the source data of the reports used to generate significant disclosures for accuracy and completeness

· Assessing the reasonability of management's general ledger reconciliation procedures which includes cross

Understanding and evaluating the design and operating effectiveness of key automated, IT dependent and

checking to system reports and source data where relevant

Our audit procedures (among others) included the following;

· We gained an understanding of the process adopted by the Company to grant, record and account for noratoriums and other relief measures provided to customers

We assessed the reasonableness of judgements applied by management in determining whether moratori-ums and other relief measures have resulted in substantial modifications or not, to customer contracts. This included evaluating whether interest income on modified contracts have been recognized in line with its accounting policy for interest income recognition.

 We tested the accuracy of underlying spread sheet-based calculations. Our procedures included testing the ompleteness and accuracy of the data used in such spread sheet-based calculations, by agreeing to source documents and moratorium customer returns

Abans Finance PLC,

R. A. De Mel Mawatha, Colombo 03.

Tel: 011 2208888, Fax: 011 2375517

Licensed Finance Company by the Monetary Board of Central



அபான்ஸ் பினான்ஸ் பிஎல்சி

2021 மார்ச் 31 இல் முடிவடைந்த காலப்பகுதிக்கான முக்கிய நிதியியல் தரவுகள் (கணக்காய்வு செய்யப்பட்டது)

அனைத்துமுள்ளடக்கிய வருமான அறிக்கை

மார்ச் 31 இல் முடிவுற்ற காலப்பகுதிக்கானது	2021 ரூபா.	2020 ரூபா.
வருமானம்	1,841,057,823	2,037,875,522
வட்டி வருமானம்	1,686,328,068	1,838,845,339
வட்டிச் செலவு	(654,608,735)	
தேறிய வட்டி வருமானம்	1,031719,333	962,113,298
கட்டணம் மற்றும் தரகு வருமானம்	129,899,513	185,760,201
கட்டணம் மற்றும் தரகு செலவினங்கள்	(22,341,043)	(13,633,994)
தேறிய கட்டணம் மற்றும் தரகு வருமானம்	107,558,470	172,126,207
வர்த்தகப்படுத்தல் நடவடிக்கைகளிலிருந்தான		
இலாபம்/(நட்டம்)	320,000	240,800
ஏனைய வருமானம்	24,510,242	13,029,183
மொத்த தொழிற்பாட்டு வருமானம்	1,164,108,045	1,147,509,487
கடன்கள், வருமதிகள் மீதான தேறிய பெறுமதி		1 1
д	(108,266,753)	(333,253,807)
தேறிய தொழிற்பாட்டு வருமானம்	1,055,841,292	814,255,681
தொழிற்பாட்டு செலவினங்கள்	!	
ஆளணிச் செலவுகள்	(273,473,301)	(269,968,327)
பெறுமானத் தேய்வு மற்றும் அருவச் சொத்துக்கள்		11
மீதான பெறுமதி குறைப்பு	(68,844,612)	1
ஏனைய தொழிற்பாட்டுச் செலவினங்கள்	(190,643,922)	(239,636,409)
நிதிச்சேவைக்கான பெறுமதிகூட்டப்பட்ட		
வரிக்கு முன்னரான தொழிற்பாட்டு இலாபம்/(நட்டம்)	522,879,457	235,734,393
நிதிச்சேவைக்கான பெறுமதிகூட்டப்பட்ட வரி	(95,713,451)	(81,785,541)
வரிக்கு முன்னரான இலாபம்	427,166,006	153,948,852
	(139,975,056)	(50,521,758)
வருமான வரிக்கான ஏற்பாடு	287,190,950	103,427,094
ஏனைப அனைத்தையும் உள்ளடக்கிய வருமானம்		
இலாப நட்டங்களிற்கு மீள்வகைப்படுத்தகூடிய ஏனைய	1	1
அனைத்தையும் உள்ளடக்கிய வருமானம்	1	1
வரயைறுக்கப்பட்ட நலதிட்டங்களின் கணிப்பீட்டு		1
இலாபம்/(நட்டம்)	(2,516,706)	1
பிற்போப்பட்ட வரி	604,010	(65,861)
இலாபம் அல்லது நட்டத்துக்கு மறு வகைப்படும் உருப்படிகள்		
ஆதனம் மீதான மீள்மதிப்பீட்டு ஒதுக்கம்	89,459,907	1 - I
பிற்போப்பட்ட வரி	(19,056,000) 70,403,907	-
வருடத்திற்கான வரி நீங்கலான ஏனைய அனைத்தையும் உள்ளடக்கிய வருமானம்	68,491,211	(169,356)
வருடத்திற்கான பொத்த அனைத்தையும் உள்ளடக்கிய வருமானம்	355,682,161	103,257,738
பங்கொன்றுக்கான உழைப்பு	4.31	1.55
English English	7.51	1.55

இந்த நிதி அறிக்கைகள் 2007ஆம் ஆண்டு 07ஆம் இலக்க கம்பனிகள் சட்டத்தின் தேவைகளுக்கு

இந்த நிதியநிக்கைகளின் தயாரிப்புக்கும் வழங்கலுக்குமான பொறுப்பு பணிப்பாளர் சபைபை: சார்ந்ததாகும். சபைக்காகவும் சபையின் சார்பிலும் கைபொப்பமிடுவோர்.

10 முதல் 76 வரையான பக்கங்களில் இருந்து கணக்கியல் கொள்கைகள் மற்றும் குறிப்புக்கள் இந்த நிதியறிக்கைகளின் ஒருங்கிணைந்த பகுதியாகும்.

APAG/PMI /DM

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABANS FINANCE PLC

Report on the audit of the financial statements

We have audited the financial statements of Abans Finance PLC ("the Company"), which comprise the statement of financial position as at 31 March 2021, and the 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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka

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 and the performance designeto 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.

Other information included in the 2021 Annual Report

Other information consists of the information included in the Company's 2021 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2021

Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance 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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company'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

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and 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

3.Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 Company to cease to continue as a going concern.

நிதியியல் நிலைமைக் கூற்று

மார்ச் 31ஆம் திகதியில் உள்ளவாறான	2021 ருபா.	2020 ருபா.	П	
சொத்துக்கள்			П	
காசு மற்றும் வங்கி மீதிகள்	226,092,543	146,941,688	П	ľ
வங்கிகளுடனான வைப்புக்கள்	207,264,972	204,354,154	П	
மீள்கொள்வனவுக்கான ஒப்பந்தங்கள்			П	
(அரச பிணையங்கள்)	942,235,676	279,143,141	П	
வாடிக்கையாளருக்கான கடன் மற்றும்முற்பணங்கள்	1,379,508,592	1,920,095,538	П	7
நிதிக்குத்தகைகள் மற்றும் வாடகைக்கொள்வனவுகள்	6,027,133,949	5,854,327,613	П	`
பங்கு முதலீடுகள் நியாயமான பெறுமதியில்	80,400	80,400	П	
தேயவுப் பெறுமதியிலுள்ள கடன் சாதனங்கள்	13,684,192	225,421,143	П	
ஏனைய நிதிச் சொத்துக்கள்	99,842,557	96,487,549	П	
மெய் ஆதன இருக்புக்கள்	31,066,726	39,313,213	П	
ஏனைய நிதிசாராச் சொத்துக்கள்	49,289,851	63,953,134	Н	_
ஆதனம், பொறிகள் மற்றும் உபகரணங்கள்	146,041,713	70,332,907	П	
அருவச் சொத்துக்கள்	33,866,422	29,339,420	П	
பயன்படுத்துவதற்குரிமையுள்ள சொத்துக்கள்	62,490,872	81,250,333	П	
பிற்போடப்பட்ட வரிச் சொத்துக்கள்	9,815,140	45,073,647	П	
மொத்தச் சொத்துக்கள்	9,228,413,605	9,056,113,880		
பொறுப்புக்கள்			П	
வங்கிகளுக்குச் செலுத்தப்பட வேண்டியவை	280,234,236	809,672,688	П	
வாடிக்கையாளர்களுக்கு செலுத்தப்பட வேண்டியவை	4,918,802,137	5,148,142,044	П	
வழங்கிய கடன் பத்திரங்கள் மற்றும் ஏனைய			П	_
கடன்கள்	1,210,632,535	649,837,356	П	
ஏனைய நிதியியல் பொறுப்புக்கள்	535,607,003	720,063,470	П	
ஏனைய நிதிசாராப் பொறுப்புக்கள்	15,877,158	23,791,226	П	
நடப்பு வரிப் பொறுப்புக்கள்	147,245,448	48,853,948	П	
இளைப்பாற்று நலதிட்டங்களின் பொறுப்புகள்	27,014,926	19,435,147	П	
மொத்தப் பொறுப்புக்கள்	7,235,143,443	7,418,795,879		
உரிமையாண்மை				
கூறப்பட்ட மூலதனம்	1,121,412,955	1,121,412,955	$ \ $	
நியதிச் சட்ட ஒதுக்கம்	191,107,440 70,403,907	133,669,250	$ \ $	
	612,075,860	- 382,235,796	$ \ $	
பகிரப்படாத வருவாய்கள் மொத்த உரிமையாண்மை	193,000,162	1,637,318,001	$ \ $	
ு. மொத்த பொறுப்புக்களும் உரிமையாண்மையும்	9,228,413,605	9,056,113,880		
			<u>'</u>	

தெரிவு செய்யப்பட்ட செயற்பாட்டு குறிகாட்டிகள்

மார்ச் 31ஆம் திகதியில் உள்ளவாறான	202	21	2020			
ஒழுங்குமுறைப்படுத்தல் மூலதனப் போதுமை (%)	உண்மை	தேவையானது	<u>உ</u> ண்மை	தேவையானது		
அடுக்கு 1 மூலதன போதுமை விகிதம்	11.98	6.50	9.76	6.50		
மொக்க மூலதன போதுமை விகிகம்	13.06	10.50	10.84	10.50		
வைப்பு பொறுப்புக்களுக்கான மூலதன நிதிய விகிதம்	39.09	10.00	31.80	10.00		
கடன் சொத்துப்பட்டியலின் தரம் (%)		<u> </u>	21.59			
	1	.42				
மொத்தச் செயற்படாக் கடன்களின் விகிதம் (எ)	4	.16		4.52		
தேறிய செயற்படாக் கடன்களின் விகிதம் (எ)	1					
மைய மூலதன விகிதத்திற்கான தேறிய செயற்படாக கடன்களின்	10	.24	١ ,	4.24		
விகிதம்			24.21			
வருமானத்திற்கான செலவு விகிதம்	63	63.47		62.78		
இலாபத்தன்மை (%)						
தேறிய வட்டி இலாபம	1 11	.02	1,	0.57		
சொத்துக்கள் மீதான வருவாய		3.14		1.15		
பங்குரிமை மூலதனம் மீதான வருவாய	1 -	15.82		6.52		
வருமானத்திற்கான செலவு விகிதம்		.78	50.42			
திரவத்தன்மை (%)						
தேவையான திரவச் சொத்துகளுக்கான கிடைக்கத்தக்க						
திரவச் சொத்து (எ) (குறைந்தபட்சம் 100%)	438	3.75	238.30 11.19			
வெளிவாரி நிதியத்திற்கான திரவச் சொத்துக்கள்	20	0.14				
விஞ்ஞாபனத் தகவல்கள்						
கிளைகளின் எண்ணிக்கை		10		10		
சேவை நிலையங்களின் எண்ணிக்கை	1	9	13			
புதிய கொடுகடன் வசதிகளை வழங்குதல் அத்துடன் / அல்லது	1					
ஏற்கனவே உள்ள கொடுகடன் வசதிகளின் தவணைக காலத்தை		A (Ika)		BB+(Ika)/ Nagative		
நீடித்தல் மீதான கட்டுப்பாடுகள் (ூ)				DD (Ina)/ Nagauve		
வேறு ஏதேனும் ஒழுங்குமுறைப்படுத்தல் கட்டுப்பாடுகள் (ஓ)	6.0	000	6.	000		
தயவுசெய்து குறிப்பிடவும்]	-]	-		
Second and an advantage of the second and advanta						
			I			

ழலதன போதுமை விகிதம் - வைப்பாளர்களையும் கடன் வழங்கியோரையும் பாதிக்காமல் இழப்புக்களை நிதியியல் நிறுவனங்கள் ஈர்த்துக்கொள்வதற்கான இயலாற்றலை எடுத்துக் காட்டுகின்றது. இவ்விகிதமானது பணிப்புரையில் குறித்துரைக்கப்பட்டவாறு, இடர்நேர்வு நிறையேற்றப்பட்ட சாத்துக்களினால் மூலதனத்தினை வகுப்பதன் மூலம் கணிக்கப்படுவதுடன் உயர்ந்த விகிதம் இழப்புக்களை சிறந்த முறையில் ஈர்த்துக் கொள்ளும் இயலளவினை எடுத்துக்காட்டுகின்றது.

ஒதுக்கு பாதுகாப்பு விகிதும் - பிரச்சனைகளுக்குரிய கடன்களையும் முற்பணங்களையும் உள்ளடக்கத்தக்க விதத்தில் ஒதுக்குகள் போதுமான மட்டத்தில் இருப்பதனை எடுத்துக்காட்டுகிறது. உயர் மூலதன போதுமை விகிதத்துடன் கூடிய உயர்விகிதம் என்பது கடன் இழப்பு ஒதுக்குகளுக்கு அப்பால் எதிர்பாராமல் ஏற்படும் இழப்புக்கள் உட்பட எதிர்கால கொடுகடன் இழப்புக்களைச் சிறந்த முறையில் எதிர்த்து நிற்கக்கூடிய நிதியியல் நிறுவனமொன்று எனப் பொருள்படும்.

தேறிய வட்டி இலாயம் - நிதியியல் நிறுவனத்தின் மைய வியாபாரத் தொழிற்பாடுகளின் இலாயத்தன்மையினை எடுத்துக்காட்டுகிறது. அதாவது கடன்கள மற்றும் முற்பணங்களை வழங்குதல் மற்றும் வைப்புக்களை ஏற்றுக்கொள்ள

ஈத்திற்கான செலவு விகிதம் - தொழிற்பாட்டு செலவை பிரதிநிதித்துவப்படுத்துகிறது, தேறிய வருவாயின் சதவீதமொன்றாக கடன்கள் மற்றும் முற்பணங்கள் மீதான சேத இழப்பு அறவீடுகள் நீங்கலாக (தேறிய வட்டி வம்) உயர்வான இலாபத்தன்மையில் குறைவான விகிதம் ஏற்படும்.

வெரத்த மூலதணம் - அடுக்கு 1 இளையும் பங்குரிமை மூலதனம் மற்றும் படுகடன் பண்புகளுடன் கூடிய சாதனங்கள் மீள்மதிப்பீட்டு இலாபம், பெறுமதி இழப்புப் படிகள் என்பனவற்றை உள்ளடக்கிய துணை நிரப்பு மூலதனத்தினையும்

இடர்நோ்வு நிறையேற்றப்பட்ட சொத்துக்கள் - ஐந்தொகைபிலுள்ள இடர்நோ்வு நிறையேற்றப்பட்ட சொத்துக்கள் மற்றும் இடர்நோ்வு நிறையேற்றப்பட்ட ஐந்தொகைக்கு வெளியேபான சொத்துக்களுக்கு சமமான

வெளிவாரி **நிதியம் -** வைப்புக்கள் மற்றும் கடன்பாடுகளை மாத்திரம் உள்ளடக்குகிறது

Impairment allowance on loans & leases:

As at 31 March 2021, loans & advances and receivables from lease & hire purchase (net of impairment amounted to Rs. 1,380 Million (Note 20) and Rs. 6,027 Million (Note 21) respectively net of total allowance for impairment of LKR 992.5 Million (Note 20.1 and21.1). These collectively contributed 80% to the

As described in Note 4.1.10, impairment allowance on such financial assets carried at amortized cost is determined in accordance with Sri Lanka Accounting Standards – SLFRS 9 Financial Instruments (SLFRS 9)

· Materiality of the reported impairment allowance which involved complex spread sheets calculations;

• The degree of assumptions, judgements and estimation uncertainty associated with the calculations.

Key areas of significant judgements, estimates and assumptions used by management in the assessmen

• The probable impacts of COVID-19 and related industry responses (e.g.government stimulus packages and debt moratorium relief measures granted by the company); and

 Forward-looking macroeconomic factors, including developing and incorporating macroeconomic scenarios, given the wide range of potential economic outcomes and probable impacts from COVID-19 that may impact future expected credit losses.

IT systems and controls relevant to financial reporting

The Company uses multiple IT systems in its operations. We selected IT systems and controls relevant to financial reporting as a key audit matter due to:

· The Company's financial reporting process being heavily dependent on information derived from its IT systems and

• Key financial statement disclosures involving the use of multiple

system – generated reports and calculations there on

A changed working environment of increased remote access

Impact of moratoriums and other relief measures on the recognition of interest revenue on loans & receivables and lease rentals receivable & stock out on hire was a key audit matter due to:

 Significant judgments that were applied in determining whether such moratoriums and other relief measures have resulted in substantial modifications or not, to contracts with customers as set out in Note 4.1.10.(iv) to the financial statements

Moratoriums and other relief measures were granted by the Company to customers affected by the

• Use of spread sheet-based calculations by management to quantify the impacts of such moratoriums and other relief measures on the amount of revenue recognized for the period

How our audit addressed the key audit matte

We assessed the alignment of the company's impairment computations and underlying methodology with the requirements of SLFRS 9 with consideration of COVID-19 impacts and related industry responses based on the best available information up to the date of our report. Our audit procedures included amongst others the

 We evaluated the design, implementation and operating effectiveness of controls where relevant over estimation of impairment of loans and advances, which included assessing the level of oversight, review and approval of impairment policies by the Board Audit Committee and management

We checked the completeness and accuracy of the underlying data used in the computations by agreeing significant details to source documents and accounting records of the company

We test-checked the underlying calculations

increase in remote access

• In addition to the above, following focused procedures were performed For a sample of loans and advances individually assessed for impairment:

- Assessing the appropriateness of the criteria used by the management to determine whether there are any indicators of impairment; and Evaluating the reasonableness of the provisions made with particular focus on the impact of COVID-19 on

elevated risk industries, strategic responsive actions taken, collateral values, and the value and timing of future cashflows. For loans and advances collectively assessed for impairment:

 Assessing the reasonableness of assumptions and estimates used by management including the reasonableness of forward-looking information and scenarios; and

- As relevant, assessing the basis for and data used by management to determine overlays in consideration of the probable effects of the COVID-19 pandemic

- We assessed the adequacy of the related financial statement disclosures as set out in Note(s) 20 and 21.

ullet Understanding and evaluating the design and operating effectiveness of key automated, IT dependent and manual controls implemented by management over generation of multiple system reports and gathering of required information in calculating the significant information for financial statements disclosures

Understanding the security monitoring procedures over IT systems relevant to financial reporting, given the

• Checking the source data of the reports used to generate significant disclosures for accuracy and completenes

· Assessing the reasonability of management's general ledger reconciliation procedures which includes cross checking to system reports and source data where relevant

· We gained an understanding of the process adopted by the Company to grant, record and account for moratoriums and other relief measures provided to customers We assessed the reasonableness of judgements applied by management in determining whether moratori-

included evaluating whether interest income on modified contracts have been recognized in line with its accounting policy for interest income recognition. · We tested the accuracy of underlying spread sheet-based calculations. Our procedures included testing the

ums and other relief measures have resulted in substantial modifications or not, to customer contracts. This

completeness and accuracy of the data used in such spread sheet-based calculations, by agreeing to source documents and moratorium customer returns.

5.Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the

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.

perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a 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 ence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless slam or regulation precludes public disclosure about in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

15 June 2021 Colombo

Abans Finance PLC, No. 456. R. A. De Mel Mawatha,

Colombo 03. Tel: 011 2208888, Fax: 011 2375517

Licensed Finance Company by the Monetary Board of Central

