ABANS FINANCE PLC

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF COMPREHENSIVE INCOME			STATEMENT OF FINANCIAL POSITION			SELECTED KEY PERFORMANCE INDICATORS					
Year ended 31 March	2023 Rs.	2022 Rs.	As at 31 March		2023 Rs.	2022 Rs.	As at 31 March	2023		2022	
Income	2,857,850,498	2 122 022 274	Assets		371,545,331	183,803,274	Regulatory Capital Adequacy (%)	Actual	Required	Actual	Required
income	2,637,630,496	2,122,022,274	Cash and Bank Balances		433,981,434	485,662,416	Tier 1 Capital Adequacy Ratio	19.79	8.5	15.63	7
Interest Income	2,651,738,774	1,932,052,226	Placement with Banks Repurchase Agreements		271,331,939	255,049,144	Total Capital Adequacy Ratio	20.84 12.5		16.7	11
Interest Expense	(1,230,834,778)				1,019,648,500	1,109,139,474	Capital Funds to Deposit Liabilities Ratio	54.07 10		52.94	10
Net Interest Income	1,420,903,996	1,385,017,788			7,787,483,346	6,999,758,895					
			Financial Investments at Fair Value through P&L			291,202,975	Quality of Loan Portfolio (%)				
Fee and Commission Income	190,985,038				80,400 713,692,026	80,400 587,159,325	Gross Non-Performing Loans Ratio		24.97		20.95
Fee and Commission Expense Net Fee and Commission Income	(26,548,114) 164,436,924				112,611,633	110,968,742	Net-Non-Performing Loans Ratio		4.64	3.44	
Net ree and Commission income	104,430,924	140,012,090	Real Estate Stock		38,468,202	32,066,726	Net-Non-Performing Loans to Core Capital Ratio	o 26.80			13.39
Net Gain/(Loss) from Trading	2,650,600	6,443,343	Other Non Financial Assets		88,215,996	57,812,919	Provision Coverage Ratio	60.29		64.46	
Other Operating Income (net)	12,476,086		Property, Plant & Equipment		168,485,711	152,722,069					
			Intangible Assets		23,126,958	27,950,766	Profitability (%)				
Total Operating Income	1,600,467,606	1,553,313,359	Right-of- use Assets		151,375,430	175,125,283	Net Interest Margin		13.06		13.98
			Total Assets		11,188,660,241	10,468,502,408	Return on Assets		3.28		4.37
Credit Loss Expense on Financial Assets	(92 156 790)	(130,500,395)	Liabilities				Return on Equity		13.16		19.48
Credit Loss Expense on Financial Assets	(62,130,769)	(130,300,393)	Due to Banks		2,087,507	138,597,100	Cost to Income Ratio		52.22		43.96
Net Operating Income	1,518,310,817	1,422,812,964	Due to Customers Other Borrowed Funds		5,376,613,892 1,953,023,415	4,448,008,287 2,552,107,092					
	.,,	.,,, .	Other Financial Liabilities		561,484,647	644,871,381	Liquidity (%)				
Operating Expenses			Other Non Financial Liabilities		59,890,451		Available Liquid Assets to Required Liquid Assets				
Personnel Costs	(399,834,364)	(335,541,769)	Current Tax Liabilities		214,913,361		(Minimum 100%)		212.41		272.18
Depreciation & Amortization	(66,347,264)		Deferred Tax Liabilities		13,251,024	13,298,360			15.64		18.57
Other Operating Expenses	(369,634,023)	(282,140,919)	Retirement Benefit Liability		37,432,541	27,600,613					
Operating Profit before Taxes on Financial Services	682,495,166	739,941,482	Total Liabilities		8,218,696,838	8,043,384,432	Memorandum information				
Taxes on Financial Services	(149,266,744)	(124,703,277)	Shareholders' Funds		4 224 007 600	4 404 440 055	November of Duran share		10		10
	(111)=111	(==,==,==,	Stated Capital		1,321,097,699 294,922,322	1,121,412,955 277,169,198			9		9
Profit before Taxation from Operations	533,228,422	615,238,205	Statutory Reserve Fund Revaluation Reserve		62,677,935		External Credit Rating (FITCH Ratings Lanka Ltd)	DDD : /II	ka)/RWN	Δ.	(Ika) - RWN
			Regulatory Risk Allowance Rese	erve	755,907,050	-	External create nating (Fire Finaling) Earling Eta,	DDD+(II	(a)/NVIV	A-	(IKa) - KVVIV
Income Tax Expenses Profit for the Year	(178,165,934)	(184,929,414)	Retained Earnings		535,358,397	956,131,916					
Front for the real	355,062,488	430,308,791	Total Shareholders' Funds	3		2,425,117,976	11				
Other Comprehensive Income (OCI)			Total Liabilities and Sharehold				5000				
Items that will not be reclassified to profit or loss			Conital Adams as wation	Indicates the ability of the financial institution to absorb losses without affecting denseitors and evolutors. This vatic is a second dividing					i ali a a		
Actuarial Gains/(Losses) on Defined Benefit Plan	(3,108,334)	2,380,293	Capital Adequacy ratios	Indicates the ability of the financial institution to absorb losses without affecting depositors and creditors. This ratio is computed by divicapital by risk weighted assets as specified by the Direction, and high ratio indicates better loss absorption capacity.					uing		
Deferred Tax Effect of above	932,500	(571,270)	Non-Performing Loans ratio							or	
	(2,175,834)	1,809,023		assets quality and high credit risk.							
Items that will be reclassified to profit or loss	00.00		Provision Coverage ratio	Indicates the	adequacy level o	f provision to co	ver problem loans and advances. A higher ratio wit				ns
Surplus from Revaluation of Property, Plant & Equipment		-	N I				ure credit losses better, including unexpected losses				
Deferred Tax Effect of above Tax change impact on Revaluation Reserve	(24,000) (7,781,972)	_	Net Interest Margin				ration of the financial institution. i.e. granting loans				
lax change impact on nevaluation neserve	(7,781,972)		Cost to income ratio				airment charges on loans and advances as a percen bligher profitability	lage of net r	evenue (net	interest incon	ie
	(7,723,972)		Liquid Assets	and other income). Lower ratio will resultant in higher profitability. A liquid asset is an asset that can easily be converted into cash.							
Other Comprehensive Profit/(Loss) for the Year, Net of Tax	(9,901,806)	1,809,023	Сар		nit imposed by th		Terred into easin				
Total Comprehensive Income for the Year	345,160,682	432,117,814	Downsizing				nposed by the CBSL.				
	2 10/100/002	102/11/011	Freezing				rther transactions of the Company.				
			Tier 1 Capital		ermanent shareh				4!		
Earnings Per Share: Basic / Diluted (Rs.)	4.82	6.46	Total Capital	Represents II allowances.	ier i and supplem	ientary capital ir	ncluding instruments with characteristics of equity a	ana aebt, rev	valuation gai	ns, impairme	π
			Risk Weighted Assets		alance sheet risk v	veighted assets	and the total credit equivalent of risk weighted off-l	palance shee	et assets.		
These Financial Statements are in compliance with the requirements of the Companies Act No			Tier 1 Capital ratio	Tier 1 capital as a percentage of risk weighted assets							
07 of 2007.			Total Capital ratio	Total capital as a percentage of risk weighted assets.							
(Sgnd.) B G P Samantha (Chief Financial Officer)	Capital Funds	Paid up capital, permanent free reserves and any other securities approved by the CBSL.									
The Board of Directors is responsible for the Financial Statements. Signed for and on hehalf of			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							

KJC Perera (Director)

09 June 2023, Colombo

(Sgnd.)

Ernst & Young 201, De Saram Place Colombo 10, Sri Lanka

The Board of Directors is responsible for the Financial Statements, Signed for and on behalf of

Tel: +94 11 246 3500 Chartered Accountants Fax (Gen): +94 11 269 7369 Fax (Tax): +94 11 557 8180

R. Pestonjee (Director)

APAG/KMW/AD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABANS FINANCE PLO

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 2023, 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 2023, and of its financial performance and its 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 judgement, 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

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

Net Interest Margin

Return on Assets

Return on Equity

External Funds

Allowance for impairment losses on Loans & advances and Lease rentals receivable & stock out on hire carried at amortized cost

guidelines issued by CBSL.

Includes only deposits and borrowings.

As at 31 March 2023, Allowance for impairment losses on Loans & advances and Lease rentals receivable $\&\, stock$ out on hire carried at amortized cost net of impairment allowances amounted to LKR 8,807 Mn as disclosed in notes 19 & 20 to the financial statements

This was a key audit matter due to the materiality of the reported allowance for impairment losses which involved complex calculations; degree of significant judgements and assumptions and level of estimation uncertainty associated with estimating future cashflows management expects to receive from such financial assets.

Key areas of significant judgements, estimates and assumptions used by the management in the assessment of the provision for credit impairment included the following.

- · Management overlays to incorporate the current economic
- The incorporation of forward-looking information such that expected cashflows re factors evaluated under different economic scenarios and the probability weighting determined for each of these scenarios.

How our audit addressed the key audit matter In addressing the adequacy of the allowance for impairment losses on Loans & advances and Lease rentals receivable &

- stock out on hire carried at amortized cost ,our audit procedures included the following key procedures; We assessed the alignment of the Company's Allowance for impairment losses computations and underlying
- methodology including responses to market economic volatility with its accounting policies, based on the best available information up to the date of our report.
- We evaluated the Internal controls over estimation of credit impairment, which included assessing the level of oversight, review and approval of impairment allowances policies and procedures by the Board and management.
- We checked the completeness, accuracy and classification of the underlying data used in the computation of credit impairment by agreeing details to relevant source documents and accounting records of the Company.
- In addition to the above, following procedures were performed.

For loans & advances and Lease rentals receivable & stock out on hire assessed on an individual basis for

• We evaluated reasonableness of credit quality assessment.

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).

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

- We checked the arithmetical accuracy of the underlying individual impairment calculations • We evaluated the reasonableness of key inputs used in provision for credit impairment made with particular focus on
- current economic contraction. Such evaluations were carried out considering the customer exposure to elevated risk industries, debt moratoriums, status of recovery actions of collaterals in forecasting the value and timing of For loans & advances and Lease rentals receivable & stock out on hire assessed on a collective basis for impairment:

• We assessed whether judgments used in assumptions and estimates made by the management when estimating future cashflows, in the underlying methodology and management overlays were reasonable. Our assessment included portfolio segmentation, elevated risk industries, evaluating the reasonableness of forward-looking information, different economic scenarios and probability weighting assigned to each scenario

We assessed the adequacy of the related financial statement disclosures set out in notes 19 & 20 of the financial

Information Technology (IT) systems and internal controls over financial reporting

 $Company's \ financial \ reporting \ process \ is \ significantly \ reliant \ on$ multiple IT systems with automated processes and internal controls. Further, key financial statement disclosures are prepared using data and reports generated by IT systems, that are complied and formulated with the use of spreadsheets

Accordingly, IT systems and related internal controls over financial reporting were considered a key audit matter.

Our audit procedures included the following:

- . We obtained an understanding of the internal control environment of the processes relating to financial reporting
- and related disclosures. • We involved our internal specialized resources to check and evaluate the design and operating effectiveness of IT
- systems and relevant controls, including those related to user access and change management We also obtained high-level understanding, primarily through inquiry, of the cybersecurity risks affecting the
- company and the actions taken to address these risks.
- We checked source data of the reports used to generate disclosure for accuracy and completeness, including review of general ledger reconciliations

Other information included in the 2023 Annual Report

Other information consists of the information included in the Company's 2023 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information The Company's 2023 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

In connection with our audit of the financial statements , our responsibility is to read the other information ${\bf r}$ identified above when it becomes available 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.

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.

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 judgement and maintain professional skepticism throughout the audit. We also:

- 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 by management
- 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
- 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 $the \ adverse \ consequences \ of \ doing \ so \ would \ reasonably \ be \ expected \ to \ outweigh \ the \ public \ interest \ benefits \ of \ such \ and \ such \ such \ and \ such \ such \ such \ such \ and \ such \ such \ and \ such \ such$

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.

 ${\sf CA\,Sri\,Lanka\,membership\,number\,of\,the\,engagement\,partner\,responsible\,for\,signing\,this\,independent}$ auditor's report is 1697.

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 Bank of Sri Lanka under the Finance Business Act No. 42 of 2011



අබාන්ස් ෆිනෑන්ස් පී එල් සී

2023 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා විගණනය කරන ලද මූලෳ පුකාශන

විස්තිර්ණ ආදායම් පුකාශනය			මූලප තත්වය පිලිබඳ පුකාශනය			පුධාන කාර්යප සාධන දර්ශකයන්				
මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා	2023 (ర్మా)	2022(ర్గా)	මාර්තු 31 දිනට	2023 (ర్మా)	2022(රු')	මාර්තු 31 දිනට	20)23	20	022
ආදායම පොලි ආදායම පොලි වියදම ශුද්ධ පොලි ආදායම	2,857,850,498 2,651,738,774 (1,230,834,778) 1,420,903,996		වත්කම් මුදල් හා බැංකු ශේෂයන් බැංකුවල ඇති තැන්පතු පුතිම්ලදි ගැනිම් ගිවියුම් ණය හා අත්තිකාරම් ලැබිය යුතු කල්බදු වාරික සහ කුලි පද,නම මත	371,545,331 433,981,434 271,331,939 1,019,648,500	183,803,274 485,662,416 255,049,144 1,109,139,474	1 වන ශ්ටරයේ පුාශ්ධන පුමාණාත්මකතා අනුපාතය මුළු පුාශ්ධන පුමාණාත්මකතා අනුපාතය	තටප 19.79 20.84 54.07	අවශප 8.5 12.5 10	තථප 15.63 16.7 52.94	.
ගාස්තු හා කොමිස් ආදායම ගාස්තු හා කොමිස් වියදම ශුද්ධ ගාස්තු හා කොමිස් ආදායම වෙළෙඳාම් කටයුතු වලින් ලද ශුද්ධ ලාතය / (අලාතය) වෙනත් මෙතෙයුම් ආදායම් (ශුද්ධ)	190,985,038 (26,548,114) 164,436,924 2,650,600 12,476,086	161,686,573 (21,674,477) 140,012,096 6,443,343 21,840,132	තුලියට ගැනීම් 7,787,483,346 6,999,758,895 මුලු පුකාශය මගින් සාධාරණ අගයට නම් කළ 8,613,335 291,202,975 ණය කළඹේ ගුණාත්මකතාවය (%) ණය කළඹේ ගුණාත්මකතාවය (%) ණය කළඹේ ගුණාත්මකතාවය (%) ණය කළඹේ ගුණාත්මකතාවය (%) දළ අකිය ණය අනුපාතය ශුද්ධ අකිය ණය අනුපාතය ශුද්ධ අකිය ණය අනුපාතය ශුද්ධ අකිය ණය අනුපාතය ගුද්ධ අකිය ණය අනුපාතය ගුද්ධ අකිය ණය අනුපාතය ගුද්ධ අකිය ණය අනුපාතය ගුද්ධ අකිය ණයට මුලික පාග්ධන අනුපාතය පෙනත් මුලුළු වත්කම් 112,611,633 110,968,742 තතුළු 38,468,202 32,066,726		24.97 4.64 26.80 60.29		20.95 3.44 13.39 64.46			
මුඵ මෙතෙයුම් ආදාගම ණය භානිකරණය වෙනුවෙන් පුතිපාදනය කිරීම් ශුද්ධ මෙතෙයුම් ආදාගම	1,600,467,606 (82,156,789) 1,518,310,817	1,553,313,359 (130,500,395) 1,422,812,964	වෙනත් මුලන නොවන වත්කම් දේපල පිටියත හා උපකරණ අස්පෘගන වත්කම් භාවිත අයිති වත්කම් මූළු වත්කම්	88,215,996 168,485,711 23,126,958 151,375,430 11,188,660,241	57,812,919 152,722,069 27,950,766 175,125,283 10,468,502,408	ලාතදායිත්වය (%) ශුද්ධ පොලි ආන්තිකය චත්කම් මත පුතිලාත හිමිකම් මත පතිලානය	13.0 3.2 13.1	28	13. 4. 19.	.37
මෙනෙ යුම් වියදුම් සේවක මණ්ඩල වියදුම් ක්ෂය විම් හා කුමක්ෂය විම් වෙනත් මෙහෙයුම් වියදුම් මූලුප සේවාවන් මත බදු වලට පෙර	(399,834,364) (66,347,264) (369,634,023)	(335,541,769) (65,188,794) (282,140,919)	වගකිම් බැංකුවලට ගෙවිය යුතු ද. ගනුදෙනුකරුවන්ට ගෙවිය යුතු ද. නිකුත් කරන ලද නිය මෙවලම් සහ අනෙකුත් නිය ලබා ගත් අරමුදල් වෙනත් මුලුපු වගකිම්	2,087,507 5,376,613,892 1,953,023,415 561,484,647	138,597,100 4,448,008,287 2,552,107,092 644,871,381	ආදායම් මත පිරිවැය අනුපාතය දුවශීලතාවය (%) පවතින දුවශීල වත්කම් වලට දුවශීල වත්කම් අවශයනා අනුපාතය (අවම 100%)	52.2 212.	41	43. ⁶ 272.	.18
මෙහෙයුම් ලාතය / (අලාතය) මුලය සේවාවන් මත බදු බදු පෙර මෙහෙයුම් ලාතය ආදායම් බදු වියදුම්	682,495,166 (149,266,744) 533,228,422 (178,165,934)	739,941,482 (124,703,277) 615,238,205 (184,929,414)	වෙනත් මුලප නොවන වගකිම් වත්මන් බදු වගකිම් විලම්තිත බදු වගකිම් විගුාම පුතිලාත වගකම් ඉළු වගකිම් ශ් තත්ධ පාත්ධනය	59,890,451 214,913,361 13,251,024 37,432,541 8,218,696,838	43,821,143 175,080,456 13,298,360 27,600,613 8,043,384,432	දුවශිල වත්කම් වලට බාහිර අරමුදල් අනුපාතය නාමික තොරතුරු ශාඛා ගණන සේවා මධපත්වාන ගණන බාහිර ණය ශේණිය (ෆිච් රේටින් ලංකා ලිම්ටඩ්)	15.0 1 BBB+(lka	10	18. 1 A-(Ika)	10
වර්ෂය සදහා ලානය වෙනත් විශ්තිර්ණ ආදායම් ලාන අලාන යටතට නැවත වර්ගිකරණය නොකරන අයිතමයන් නිශ්චිත පුතිලාන සැලසුම් මත ආයු ගණන ලානය / (අලානය) ආයු ගණන ලානය / (අලානය) මත විලමිනිත බදු	(3,108,334) 932,500 (2,175,834)	(2,380,293) (571,270) 1,809,023	පුකාරිත පාත්ධනය වනවස්ථාපිත සංචිත අරමුදල පුතනගණන සංචිත නියාමන අවදානම් පුතිපාදන සංචිත රදාවා ගත් ඉපයුම් සංචිතය මූළු ස්කන්ධ පාත්ධනය	1,321,097,699 294,922,322 62,677,935 755,907,050 535,358,397 2,969,963,403 11,188,660,241	1,121,412,955 277,169,198 70,403,907 - 956,131,916 2,425,117,976	නියාමන තැන්පතු සිමා පැනවීම මුළු තැන්පතු සඳහා උපරිම සිමාව (රු මිලියන)	සීමාවක්))00
කරන අගීතමයන් දේපල පිටියත උපකරණ පුතනගණන අතිටික්තය ඉහත යඳහා විලම්හිත බදු පුතනගණන සංචිත මත බදු වෙනස්වීමේ බලපෑම	80,000 (24,000) (7,781,972) (7,725,972)	- - -	පාත්ධන පුමාණාත්මකතා අවශනතා අනුපාත - මෙමගින් තැම්පතුකරුවන්ට සහ ණය හිමියන්ට බලපෑමක් නොමැතිව අලාභ අවශෝෂණය කර ගැනීමට මූලූ ආයතනයට ඇති හැකියාව පෙන්නුම් කරයි. මෙම අනුපාතය ගණනය කරනු ලබන්නේ ශී ලංකා මහබැංකුව විසින් නිකුත් කර ඇති විධානයේ නියම කර ඇති පරිදි පාග්ධනය, අවදානම් මත බර තැබූ විත්කම් වලින් බෙදීමෙනි. ආයතනයේ පාග්ධන පුමාණාත්මක අවශනතා අනුපාත ඉහල අගයක් දරයි නම්, එම ආයතනයේ පාඩු දැරීමේ හැකියාව ඉහළ බව මෙමගින් පෙන්නුම් කරයි. අතීය ණය අනුපාතය - මූලූූූූූ අයතනයේ සමස්ත ණය කලඹෙහි ඇතුලත්ව ඇති නොගෙවූ ණය සහ අත්තිකාරම් වල අනුපාතය පෙන්නුම් කරයි. මෙම අනුපාතය ඉහළ අගයක් පැවතීමෙන් වත්කම්වල පවතින දුර්වලතාවය සහ ඉහළ ණය අවදානම පෙන්නුම් කරයි.							
වර්ගය සදහා වෙනත් විස්තිර්ණ ලාතය / (අලාතය) වර්ගය සදහා මුළු විස්තිර්ණ ආදායම වනපාර කොටයක මූලික ඉපයුම : (රු)	(9,901,806) 345,160,682 4.82	1,809,023 432,117,814 6.46	මෙන්කිරීම් ආවරණ අනුපාතය - නැවත ගෙවීමේ ගැටළු පවතින ණය සහ අත්තිකාරම් ආවරණය කිරීම සදහා ආයතන මගින් සිදු කර ඇති වෙන්කිරීම් වල පුමාණාත්මකතාවය මෙමගින් නිරුපණය කරයි. මෙම අනුපාතයේ සහ පාන්ධන පුමාණාත්මකතා අවශතනා අනුපාතයේ ඉහළ අගයක් පැවතීම යනු මුලූූූූූූූූූූූූූූූූූූූූූූූූූූූූූූූූූූූ							
මෙම මූලප පුකාශය 2007 අංක 07 දරණ සමාගම් ප පිළියෙල කරන ලදී.	I පනතේ ව්ධිව්ධාන	 අනුව	සී මාවන් - ශී ලංකා මහා බැංකුව විසින් නියම කරන ලද උ අ ඩු කිරීම් - ශී ලංකා මහා බැංකුව විසින් පනවන ලද විධා	උපරිම සිමාවන් වේ.						

B.G.P සමන්ත (අත්සන් කළේ) පුධාන මුලූප නිලධාරි

මෙම මූලෳ පුකාශන පිළියෙල කිරීම හා ඉදිරිපත් කිරීම සම්බන්ධයෙන් සමාගමේ අධනක්ෂ මණ්ඩලය වගකීමට බැඳේ. අධනක්ෂ මණ්ඩලය වෙනුවෙන් අත්සන් කලේ

Colombo 10, Sri Lanka

K.J.C පෙරේරා (අත්සන් කලේ) **අධ**පසෂ

R පෙස්ටොන්ජි (අත්සන් කළේ) අධනක්ෂ

2023 ජුනි 09, කොළඹ දී

අතීය ණය - ශූී ලංකා මහ බැංකුව විසින් නිකුත් කරන ලද මාර්ගොපදේශයන්ට අනුකූලව ණයගැතියා විසින් ගිචිසුම් ගත පරිදි වාර්කයන්හි මුල් පුාග්ධනය හෝ සහ/පොළිය නියමිත පරිදි ගෙවා නොමැතිව පැහැර හැර ඇති **ශුද්ධ පොලි ආන්තිකය -** ඇස්තමේන්තු ගත වාර්ෂික ශුද්ධ පොලි ආදායම (පොලි ආදායමෙන් පොලි වියදම් අඩු කිරීමෙන් පසු) පොලි උපයන වත්කම් වල පුතිශතයක් ලෙස (සමානෳය අගය මත පදනම්ව)

බාහිර අරමුදල් - තැන්පතු සහ ණය ගැනීම් පමණක් අන්තර්ගත වේ.

Key audit matter

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

පළමු ස්ථරයේ පාත්ධනය - කොටස් හිමියන්ගේ ස්ථිර කොටස් සහ ස්ථිර සංචිත මෙමගින් නිරුපණය කරයි.

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

Allowance for impairment losses on Loans & advances and Lease rentals

As at 31 March 2023. Allowance for impairment losses on Loans &

advances and Lease rentals receivable & stock out on hire carried at

This was a key audit matter due to the materiality of the reported

degree of significant judgements and assumptions, and level of

management expects to receive from such financial assets.

estimation uncertainty associated with estimating future cashflows

 $Key\ areas\ of\ significant\ judgements, estimates\ and\ assumptions\ used$

amortized cost net of impairment allowances amounted to LKR 8.807

allowance for impairment losses which involved complex calculations:

receivable & stock out on hire carried at amortized cos

Mn as disclosed in notes 19 & 20 to the financial statements.

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

වත්කම් මත පුතිලාන - බදු පසු ඇස්තමේන්තුගත වාර්ෂික ලාභය මුළු වත්කම් වල පුතිශතයක් ලෙස නිරුපණය වේ. (සමානනය අගය මත පදනම්ව) **තිම්කම් මත පුතිලාභ -** බදු පසු ඇස්තමේන්තුගත වාර්ෂික ලාභය මුළු පුග්ධනයේ පුතිශතයක් ලෙස (සමානෘය අගය මත පදනම්ව) නිරුපණය වේ.

සමස්ත පාත්ධන අනුපාතය - සමස්ත පාත්ධනය, අවධානම් මත බර තැබූ වත්කම් වල පුතිශතයක් ලෙස නිරුපණය කිරීම

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ey.com

APAG/KMW/AD

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 2023, 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 2023, 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 we conducted adult in accordance with it can be adult 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 are those matters that, in our professional judgement, 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

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.

by the management in the assessment of the provision for credit impairment included the following. • Management overlays to incorporate the current economic

- contraction. • The incorporation of forward-looking information such that expected cashflows reflect current and anticipated future
- external factors evaluated under different economic scenarios
- and the probability weighting determined for each of these scenarios.

How our audit addressed the key audit matter

In addressing the adequacy of the allowance for impairment losses on Loans & advances and Lease rentals receivbable & stock out on hire carried at amortized cost ,our audit procedures included the following key procedures

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- We assessed the alignment of the Company's Allowance for impairment losses computations and underlying $methodology\ including\ responses\ to\ market\ economic\ volatility\ with\ its\ accounting\ policies,\ based\ on\ the\ best$
- available information up to the date of our report. We evaluated the Internal controls over estimation of credit impairment, which included assessing the level of
- oversight, review and approval of impairment allowances policies and procedures by the Board and management • We checked the completeness, accuracy and classification of the underlying data used in the computation of credit
- impairment by agreeing details to relevant source documents and accounting records of the Company. • In addition to the above, following procedures were performed.
- impairment:

- We evaluated reasonableness of credit quality assessment. • We checked the arithmetical accuracy of the underlying individual impairment calculations
- $\bullet \ \ We evaluated the reasonableness of key inputs used in provision for credit impairment made with particular focus on$ current economic contraction. Such evaluations were carried out considering the customer exposure to elevated risk industries, debt moratoriums, status of recovery actions of collaterals in forecasting the value and timing of

For loans & advances and Lease rentals receivable & stock out on hire assessed on a collective basis for impairment:

• We tested key inputs as disclosed in note 3.1.10 and the calculations used in the provision for credit impairment. We assessed whether judgments used in assumptions and estimates made by the management when estimating
future cashflows, in the underlying methodology and management overlays were reasonable. Our assessment included portfolio segmentation, elevated risk industries, evaluating the reasonableness of forward-looking

information, different economic scenarios and probability weighting assigned to each scenario. We assessed the adequacy of the related financial statement disclosures set out in notes 19 & 20 of the financial

Information Technology (IT) systems and internal controls over financial reporting

Company's financial reporting process is significantly reliant on multiple IT systems with automated processes and internal controls. Further, key financial statement disclosures are prepared using data and reports generated by IT systems, that are complied and formulated

Accordingly, IT systems and related internal controls over financial reporting were considered a key audit matter.

Our audit procedures included the following:

- We obtained an understanding of the internal control environment of the processes relating to financial reporting
- We involved our internal specialized resources to check and evaluate the design and operating effectiveness of IT systems and relevant controls, including those related to user access and change management
- We also obtained high-level understanding, primarily through inquiry, of the cybersecurity risks affecting the company and the actions taken to address these risks.
- We checked source data of the reports used to generate disclosure for accuracy and completeness, including review of general ledger reconciliations.

Other information included in the 2023 Annual Report

Other information consists of the information included in the Company's 2023 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2023 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 identified above when it

becomes available 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.

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.

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 judgement and maintain professional skepticism throughout the audit. We also:

- 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 by management.

cate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

සමස්ත පාත්ධනය - පළමු ස්ථරයේ පාත්ධනය සහ අතිරේක පාත්ධනය (හිමිකම් පාත්ධනය සහ ණයවල විවිධ ස්වරූපයන් සහිත උපකරණ, පුතතගණන ලාභ, හානිකරණ දීමනා වැනි අතිරේක පාත්ධනයට ඇතුලත්වේ.

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

- 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

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

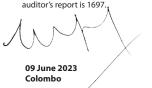
We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communi-

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

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



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 Bank of Sri Lanka under the Finance Business Act No. 42 of 2011



அபான்ஸ் பினான்ஸ் பிஎல்சி

2023 மார்ச் 31 இல் முடிவடைந்த காலப்பகுதிக்கான முக்கிய நிதியியல் தரவுகள் (கணக்காய்வு செய்யப்பட்டது).

2022

அனைத்துமுள்ளடக்கிய வருமான அறிக்கை

நிகியியல் நிலைமைக் கூற்று

மார்ச் 31ஆம் திகதியில் உள்ளவாறான

தெரிவு செய்யப்பட்ட செயற்பாட்டு குறிகாட்டிகள்

மார்ச் 31ஆம் திகதியில் முடிவடைந்த ஆண்டுக்கானது.	2023	2022 ரேபா.
	ரூபா.	
வருமானம்	2,857,850,498	2,122,022,274
வட்டி வருமானம்	2,651,738,774	1,932,052,226
வட்டிச் செலவு	(1,230,834,778)	(547,034,438)
தேறிய வட்டி வருமானம்	1,420,903,996	1,385,017,788
கட்டணம் மற்றும் தரகு வருமானம்	190,985,038	161,686,573
கட்டணம் மற்றும் தரகு செலவினங்கள்	(26,548,114)	(21,674,477)
தேறிய கட்டணம் மற்றும் தரகு வருமானம்	164,436,924	140,012,096
வர்த்தகப்படுத்தல் நடவடிக்கைகளிலிருந்தான		
தேறிய இலாபம்/(நட்டம்)	2,650,600	6,443,343
பிற செயல்பாட்டு வருமானம்	12,476,086	21,840,132
மொத்த தொழிற்பாட்டு வருமானம்	1,600,467,606	1,553,313,359
கடன்கள், வருமதிகள் மீதான தேறிய பெறுமதி குறைப்பு	(82,156,789)	(130,500,395)
தேறிய தொழிற்பாட்டு வருமானம்	1,518,310,817	1,422,812,964
தொழிற்பாட்டு செலவினங்கள்		
ஆளணிச் செலவுகள்	(399,834,364)	(335,541,769)
பெறுமானத் தேய்வு மற்றும் அருவச் சொத்துக்கள்	(66,347,264)	(65,188,794)
மீதான பெறுமதி குறைப்பு	(369,634,023)	(282,140,919)
ஏனைய தொழிற்பாட்டுச் செலவினங்கள்	(303)03 1,023)	(202)110/313/
நிதிச்சேவைக்கான பெறுமதிகூட்டப்பட்ட		
வரிக்கு முன்னரான தொழிற்பாட்டு இலாபம்/(நட்டம்)	682,495,166	739,941,482
நிதிச்சேவைக்கான பெறுமதி கூட்டப்பட்ட வரி	(149,266,744)	(124,703,277)
வரிக்கு முன்னரான இலாபம்	533,228,422	615,238,205
வருமான வரிக்கான செலவுகள்	(178,165,934)	(184,929,414)
வரிக்கு பின்னரான இலாபம்	355,062,488	430,308,791
ஏனைய அனைத்தையும் உள்ளடக்கிய வருமானம்		
இலாப நட்டங்களிற்கு மீள்வகைப்படுத்தகூடிய ஏனைய அனைத்தையும் உள்ளடக்கிய வருமானம்		
வரையறுக்கப்பட்ட நலதிட்டங்களின் கணிப்பீட்டு	(0.4	2 202 202
இலாபம்/(நட்டம்)	(3,108,334)	2,380,293
பிற்போடப்பட்ட வரி	932,500 (2,175,834)	(571,270) 1,809,023
இலாபம் அல்லது நட்டத்துக்கு மறு வகைப்படும்	(2,1/3,034)	1,009,023
உருப்படிகள ஆதனம் மீதான மீள்மதிப்பீட்டு ஒதுக்கம்	80,000	-
ஆதனம் மதான மளமதுப்பட்டு ஒதுக்கம் பிற்போடப்பட்ட வரி	(24,000)	<u>-</u>
பறுபோடப்பட்ட வாட மறு மதிப்பீட்டு கையிருப்பில் வரி மாற்றத்தின் தாக்கம்	(7,781,972)	-
_	(7,725,972)	-
வருடத்திற்கான வரி நீங்கலான ஏனைய அனைத்தையும்		
உள்ளடக்கிய வருமானம்	(9,901,806)	1,809,023
வருடத்திற்கான மொத்த அனைத்தையும் உள்ளடக்கிய வருமானம்	345,160,682	432,117,814
•		
பங்கொன்றுக்கான உழைப்பு (ரூ)	4.82	6.46

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

B.G.P. சமந்த (பிரதம நிதி அதிகாரி)

இந்த நிதியறிக்கைகளின் தயாரிப்புக்கும் வழங்கலுக்குமான பொறுப்பு பணிப்பாளர் சபையைச் சார்ந்ததாகும்.

R. பெஸ்டோன்ஜி

சபைக்காகவும் சபையின் சார்பிலும் கையொப்பமிடுவோர். К.Ј.С. பெரேரா

09 ஜுன் 2023 கொழும்பு

Ernst & Young

Tel: +94 11 246 3500 Fax (Gen): +94 11 269 7369 Chartered Accountants 201, De Saram Place P.O. Box 101 Fax (Tax): +94 11 557 8180 Email: eysl@lk.ey.com Colombo 10, Sri Lanka

APAG/KMW/AD

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 2023, 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka

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 judgement, 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

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements

Other information included in the 2023 Annual Report

Other information consists of the information included in the Company's 2023 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information The Company's 2023 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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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

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 and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company's ability to continue as a going and the company are continued as a going and the continued are continued as a going are continued as a goiconcern, 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.

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 judgement and maintain professional

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



மார்ச் 31ஆம் திகதியில் உள்ளவாறான 2023 2022 ஒழுங்குமுறைப்படுத்தல் மூலதனப் போதுமை (%) 19.79 15.63 அடுக்கு 1 மூலதன போதுமை விகிதம் 8.5 12.5 20.84 16.7 11 மொத்த மூலதன போதுமை விகிதம் 54.07 52.94 10 10 24.97 20.95 3.44 4.64

வைப்பு பொறுப்புக்களுக்கான மூலதன நிதிய விகிதம் கடன் சொத்துப்பட்டியலின் தரம் (%) மொக்கச் செயற்படாக் கடன்களின் விகிகம் (எ) தேறிய செயற்படாக் கடன்களின் விகிதம் (எ) மைய மூலதன விகிதத்திற்கான தேறிய செயற்படாக கடன்களின் விகிகம் 26.80 13.39 வருமானத்திற்கான செலவு விகிதம் 60.29 64.46 இலாபத்தன்மை (%) 13.06 13.98 தேறிய வட்டி இலாபம் சொத்துக்கள் மீதான வருவாய் 3.28 4.37 13.16 19.48 பங்குரிமை மூலதனம் மீதான வருவாய் வருமானத்திற்கான செலவு விகிதம் 52.22 43.96 திரவத்தன்மை (%) தேவையான திரவச் சொத்துகளுக்கான கிடைக்கத்தக்க 212.41 272.18 திரவச் சொத்து (எ) (குறைந்தபட்சம் 100%) 18.57 15.64 வெளிவாரி நிதியத்திற்கான திரவச் சொத்துக்கள் விஞ்ஞாபனத் தகவல்கள் கிளைகளின் எண்ணிக்கை 10 10 சேவை நிலையங்களின் எண்ணிக்கை வெளிக்கள கடன் தரப்படுத்தல் (:'பிட்ச் ரேட்டிங்ஸ் லங்கா லிமிடெட்) BBB+(Ika)/RWN A-(Ika)/RWN

கட்டுப்பாடுகள் இல்லை

5000

மூலதன போதுமை விகிதம் - வைப்பாளர்களையும் கடன் வழங்கிபோரையும் பாதிக்காமல் இழப்புக்களை நிதியியல் நிறுவனங்கள் ஈர்த்துக்கொள்வதற்கான இயலாற்றலை எடுத்துக் காட்டுகின்றது. இவ்விகிதமானது பணிப்புரையில் குறித்துரைக்கப்பட்டவாறு, இடர்நேர்வு நிறையேற்றப்பட்ட சொத்துக்களினால் மூலதனத்தினை வகுப்பதன் மூலம் கணிக்கப்படுவதுடன் உயர்ந்த விகிதம் இழப்புக்களை சிறந்த முறையில் ஈர்த்துக் கொள்ளும் இயலாவினை எடுத்துக்காட்டுகின்றது.

செயற்பாக கடன்களின் விகிதம் - நிதியியல் நிறுவனங்களின் மொத்தக் கடன் சொத்துப்பட்டியலில் உள்ளடக்கப்பட்டுள்ள செலுத்தப்படாத கடன்கள் மற்றும் முற்பணங்களின் மட்டத்தினை எடுத்துக் காட்டுகிறது. உயர்ந்த விகிதம் மோசமான சொத்துக்களின் சுரத்தினையும் உயர்ந்த கொடுகடன் இடர்சேர்வுகளையும் எடுத்துக்காட்டுகின்றது.

ஒதுக்கு பாதுகாப்பு விகிதம் - 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 நிறுவனமோன்று எனப் பொருள்படும்.

தேறிய வட்டி இணாம் - நிதியியல் நிறுவனத்தின் மைய வியாயாத் தொழிற்பாடுகளின் இலாபத்தன்மையினை எடுத்துக்காட்டுகிறது. அதாவது கடன்கள மற்றும் முற்பணங்களை வழங்குதல் மற்றும் வைப்புக்களை ஏற்றுக்கொள்ளல்.

வருமானத்திற்கான செலவு விகிதம் - தொழிர்பாட்டு செலவை பிரதிநித்துவப்படுத்துகிறது. தேறிய வருவாயின் சதவிதமொன்றாக கடன்கள் மற்றும் முற்பணங்கள் மீதான சேத இழப்பு அறுவீடுகள் நீங்கலாக (தேறிய வட்டி வருமானம் மற்றும் ஏனைய வருமானம்) உயர்வான இலாபத்தன்மையில் குறைவான விகிதம் ஏற்படும்.

திரவச் சொத்துக்கள் - திரவச் சொத்து என்பது இலகுவாக காசாக மாற்றிக் கொள்ளக்கூடிய சொத்தொன்றாகும்.

இடர்குள்வு நிறையேற்றப்பட்ட சொத்துக்கள் - ஐந்தொகையிலுள்ள இடர்நோவு நிறையேற்றப்பட்ட சொத்துக்கள் மற்றும் இடர்நோவு நிறையேற்றப்பட்ட ஐந்தொகைக்கு வெளியேயான சொத்துக்களுக்கு சமமான மொத்தக் கொடுகடன்

உச்ச எல்லை - இலங்கை மத்திய வங்கியினால் விதிக்கப்பட்ட உச்ச எல்லை. அளவினைக் குறைத்தல் இலங்கை மத்திய வங்கியினால் விதிக்கப்பட்டவாறு வியாபாரத தொழிற்பாடுகளைப் படிப்படியாகக் குறைத்தல். முடக்குதல் கம்பனியின் மேலும் இடம்பெறக்கூடிய கொடுக்கல்வாங்கல்களை தடை செய்வதற்காக நடைமுறைக்கிடப்படுகின்ற மத்திய வங்கியின் கட்டளையொன்று.

மொத்த மூலதளம் - அடுக்கு 1 இளையும் பங்குரிமை மூலதனம் மற்றும் படுகடன் பண்புகளுடன் கூடிய சாதனங்கள் மீள்மதிப்பீட்டு இலாயம், பெறுமதி இழப்புப் படிகள் என்பனவற்றை உள்ளடக்கிய துணை நீரப்பு மூலதனத்தினையும் பிரசன்னப்படுத்துகிறது.

மொத்த மூலதன விகிதம் - இடர்நேர்வு நிறையேற்றப்பட்ட சொத்துக்களின் சதவீதமாக மொத்த மூலதனம்

செயற்பாக கடன்கள் - "கடன்பாட்டாளர் ஒருவர் செலுத்தத்தவறிய கடன் அத்துடன் இலங்கை மத்திய வங்கியினால் விடுக்கப்பட்ட குறித்துரைக்கப்பட்ட வழிகாட்டல்களின் படி முதல் அல்லது அத்துடன் / வட்டியை கடன்பாட்டாளர் ஒருவர் செலுத்தத்தவறிய கடன் அத்துடன் இலங்கை மத்திய வங்கியினால் விடுக்கப்பட்ட குறித்துரைக்கப்பட்ட வழிகாட்டல்களின் படி முதல் அல்லது அத்துடன் / வட்டியை அட்டவணையின் படி சேலுத்தாமல் இருப்பது." **தேறிய வட்டி இணாம் -** மொத்தத் தேறிய சொத்துக்களின் சதவீதமாக (காலமுடிவில் உள்ளவாறு) ஆண்டு மபப்படுத்தப்பட்ட தேறிய வட்டி வருமானம (வட்டிச் செலவுகளைக் கழித்த வட்டிவருமானம்) காலமுடிவில் உள்ளவாறு

சொத்துக்களின் மீதான - வருவாப் மொத்த தேறிய சொத்துக்களின் சதவீதமாக ஆண்டு மயப்படுத்தப்பட்ட வரிக்கு முன்னரான இலாபம் (கால முடிவில் உள்ளவாறு).

பங்குரிமை மூலதனம் மீதான வருவாய் - மொத்த மூலதனத்தின் சதவீதமாக ஆண்டு மயப்படுத்தப்பட்ட வரிக்குப்பின்னரான இலாபம் (கால(முடிவில் உள்ளவாறு)

வெளிவாரி நிதியம் - வைப்புக்கள் மற்றும் கடன்பாடுகளை மாத்திரம் உள்ளடக்குகிறத

Key audit matter

Allowance for impairment losses on Loans & advances and Lease rentals receivable & stock out on hire carried at amortized cost

As at 31 March 2023, Allowance for impairment losses on Loans & advances and Lease rentals receivable & stock out on hire carried a amortized cost net of impairment allowances amounted to LKR 8.807 Mn as disclosed in notes 19 & 20 to the financial statements.

This was a key audit matter due to the materiality of the reported allowance for impairment losses which involved complex calculations; degree of significant judgements and assumptions and level of estimation uncertainty associated with estimating future cashflows management expects to receive from such financial assets.

by the management in the assessment of the provision for credit impairment included the following.

- Management overlays to incorporate the current economic contraction.
- The incorporation of forward-looking information such that expected cashflows reflect current and anticipated future external factors evaluated under different economic scenarios and the probability weighting determined for each of these scenarios.

How our audit addressed the key audit matter

stock out on hire carried at amortized cost, our audit procedures included the following key procedures; We assessed the alignment of the Company's Allowance for impairment losses computations and underlying

- methodology including responses to market economic volatility with its accounting policies, based on the best available information up to the date of our report.
- We evaluated the Internal controls over estimation of credit impairment, which included assessing the level of oversight, review and approval of impairment allowances policies and procedures by the Board and Management. We checked the completeness, accuracy and classification of the underlying data used in the computation of credit impairment by agreeing details to relevant source documents and accounting records of the Company.
- In addition to the above, following procedures were performed. For loans & advances and Lease rentals receivable & stock out on hire assessed on an individual basis for
- We evaluated reasonableness of credit quality assessment.
- We checked the arithmetical accuracy of the underlying individual impairment calculations.

வேறு ஏதேனும் ஒழுங்குமுறைப்படுத்தல் கட்டுப்பாடுகள் (ஒ)

மொத்த வைப்புக்கான அதிகபட்ச வரம்பு (ரூ. மில்லியன்)

• We evaluated the reasonableness of key inputs used in provision for credit impairment made with particular focus on current economic contraction. Such evaluations were carried out considering the customer exposure to elevated risk industries, debt moratoriums, status of recovery actions of collaterals in forecasting the value and timing of cashflows

For loans & advances and Lease rentals receivable & stock out on hire assessed on a collective basis for impairment: • We tested key inputs as disclosed in note 3.1.10 and the calculations used in the provision for credit impairment.

 We assessed whether judgments used in assumptions and estimates made by the management when estimating future cashflows, in the underlying methodology and management overlays were reasonable. Our assessment $included\ portfolio\ segmentation,\ elevated\ risk\ industries,\ evaluating\ the\ reasonableness\ of\ forward-looking$ information, different economic scenarios and probability weighting assigned to each scenario. We assessed the adequacy of the related financial statement disclosures set out in notes 19 & 20 of the financial

Information Technology (IT) systems and internal controls over

Company's financial reporting process is significantly reliant on multiple IT systems with automated processes and internal controls. Further, key financial statement disclosures are prepared using data and reports generated by IT systems, that are complied and formulated with the use of spreadsheets

Accordingly, IT systems and related internal controls over financial reporting were considered a key audit matter.

Our audit procedures included the following;

- We obtained an understanding of the internal control environment of the processes relating to financial reporting and related disclosures We involved our internal specialized resources to check and evaluate the design and operating effectiveness of IT
- systems and relevant controls, including those related to user access and change manageme We also obtained high-level understanding, primarily through inquiry, of the cybersecurity risks affecting the
- company and the actions taken to address these risks.
- We checked source data of the reports used to generate disclosure for accuracy and completeness, including review of general ledger reconciliations.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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.
- 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

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

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

Abans Finance PLC,

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

