



CHRISWORLD
Unique Solutions - Winning Partnerships



ANNUAL REPORT 2022/23

About Us

Our story started exactly a decade ago in 2012, inspired by the vision to add a new dimension to customer service in the logistics industry of Sri Lanka. Chrissworld commenced operations with 30,000 square feet of warehouse space situated in Kotikawatta, under the parent company Chrisslogix (Pvt) Ltd. The steady growth of this business was the birth of Chrissworld. The company has grown by leaps and bounds over the years and is now a member of the esteemed Chartered Institute of Logistics & Transport, Sri Lanka, managing over half a million square feet of space. Spearheaded by a dynamic and a highly experienced Board of Executive Directors, each of whom counts between 25 - 35 years of experience in the logistics industry. Harnessing from this knowledge and expertise, the organization specializes in the two core areas of warehouse management services and inventory management, servicing clients across multiple verticals and industries.

The multi-faceted team is dedicated in providing an excellent service through the entire process, from detailed planning to precise implementation, and is geared in handling niche and

specific shipments that require individual attention and effective integration. We provide an end-to-end solution to the client through our range of services which includes; storage solutions, both ambient and temperature control; inventory management services, cross docking, distribution, packing, supply chain management consultancy, 3rd party facility management, last mile delivery, project cargo handling, door-to-door solutions, MHE supply and a range of value-added services. Recently the company commenced free port operation at the Katunayake free trade zone in collaboration with a free port license holder. The main target markets is the ISC and Sea regions. This is purely targeting international markets to explore transshipment volume.

Our expertise in an array of services and projects enables us to deliver a unique value proposition to clients, which is not only superior in terms of processes but also within project schedules and agreed resources. This is the reason we can pledge to a winning solution that will meet or go beyond your expectations.

Vision

To provide innovative total logistics solutions across the globe with clear focus on our core values of high quality, respect, integrity and professionalism

Mission

To be ranked among Sri Lanka's top five "end to end" logistics service providers

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CORPORATE VALUES

CONNECTED

We invest in insight to get to the heart of our customers' challenges.

We are open and transparent in the way we work.

COMMITTED

Deeply involved in building relationships – everything we do is with the long-term in mind.

Our dedication to quality is the cornerstone of our success – we get every detail right.

CREATIVE

We are constantly developing better ways of working.

If we find a better way of working, we act upon it and proactively share it.

FAIR TRADE

we ensure we do the best and give the best through all our partnerships measuring ourselves against the highest standards of integrity and fiscal responsibility.

HONESTY

We are guided by solid moral compasses. We stand for what is just and right, and hold ourselves to a high level of ethical standards.

INTERGRITY

Integrity creates trust. As an organization, collectively, it's our most valuable asset. Individually, it's the constant choice to infuse every action with honesty, fairness, and respect for clients and colleagues alike.

RESILIENT BUSINESS MODEL

Beginning from April 21, 2019 to now, Sri Lanka has seen the worst phase of its history in recent times. The imminent threat to Chrissworld, as with many other organizations and individuals was inevitable. Chrissworld has made a considerable recovery in the aspect of its service after recurring floods, that destructed and dampened its operations during 2015-17. The innovative leadership and the passion and hard work of the entire team managed to see through the floods, so as service was restored. However, as mentioned before with the carnage of the Easter Sunday Attack and the Outbreak of the Covid-19 virus, neatly and drastically paralyzed not only the local but also the global market. Battling through the multiple waves, operations had to play a role of pause-play recurrently. The steady leadership saw the company go through, with compromise the years 2020-21. Yet, what was to happen in early 2022 was beyond anyone's control. Sri Lanka ran out of foreign reserves, defaulted in paying imminent loans, and had to declare bankruptcy. This without doubt was the worst financial crisis the country faced in the last two centuries. Irritant long hour power cuts, mega-length fuel queues, food shortage, disrupted not just the business activity but also the personal lives of all citizens of Sri Lanka. The anger of the people,

resulted in unprecedented protests which was able to force the governing regime to resign. Under the such milieu, running a smooth operation in Chrissworld was a challenge hard to master. Yet, with experience and the innate skills of the team, the company saw headway, strengthening its performance. The strategy used by the management was of paramount importance in this regard. The days ahead are bound to be tougher. One could however, be less worried knowing the repeated ability of the whole team in trying times.

Despite to above facts chrissworld records following results in 2023,

- ▶ **Annual Turnover**
Rs. **308,603,867**
- ▶ **Contribution to annual gross profit**
Rs. **88,530,688**
- ▶ **Net Profit**
Rs. **13,075,737**
- ▶ **Earnings Per Share**
Rs. **0.42**

Chrissworld PLC has delivered a strong performance for the year 2023 financial year, through effective implementation of the company on going strategic initiative, which has enhance its operational alignment with market condition.

Due to the outbreak of global & local economic crisis drastically paralyzed many industries. However battling with all challenges Chrissworld able record revenue declined by 13%.YOY to Rs. 46.5 Mn over 66% this revenue was derived from inventory management & storage. Profit after tax (PAT) reduced by 45% YOY to Rs. 10.8 Mn.

OUR SERVICE OFFERING

As per the business model adopted by CWL, in order to maintain a lean asset base the Company's operations are carried out using rented warehouses. The Company's main functions can be identified under the segments of:

Inventory Storage – clients are provided with storage facilities only

Contract Logistics services for cargo – comprehensive service range of storage, handling, distribution and Value-added-services are provided to clients

Management services – where a company requires expertise services to manage the inventories of its own warehouse, CWL deploys its resources to provide such services

Consultation and other services – CWL is capable of providing consultation on supply chain management for clients that seek professional advice on planning of storage, handling, transportation etc.



Provision of Storage and Handling Services

At present, the Company manages around 385,000 sq.ft. of warehousing space in 6 main locations operated within Colombo and Gampaha districts and provides storage, handling and distribution services to its clients. The clientele includes corporates from telecommunications, manufacturing, FMCG, trading and other sectors. The locations of warehouses have convenient access to Colombo Port, Katunayake International Airport and within close proximity to the

Colombo city. The Company ensures that goods are stored as per required quality standards and adequate safety measures are applied in storing and handling by its well trained work force. The leadership team is well-experienced in the business of warehouse management and is committed to provide customized services and solutions as per the demands of the diverse clientele. Revenues are generated in the form of rent income, and handling charges for cargo stored.

Logistics Support & Value Added Services (VAS)

Whatever your warehousing needs, our footprint and extensive network means we have facilities ready to handle your supply chain, whether at origin or destination. By combining shipping with warehousing and distribution, you benefit from a seamless end-to-end solution with fewer logistics service providers. Complexity is reduced, and you gain speed, control and visibility.

CWL has extended its position to provide logistics support services and value-added services. Key areas in which the Company provides such services include - consultation services, project cargo handling, price marking, packing and product quality checking to name a few. These services are provided to in-house clients or for clients that have their own storage facilities that require expert services. In-house clients also have the benefit of receiving these services according to their requirements under one roof, saving time and resources.

Moving beyond pure warehouse management and transport logistics, we have today established ourselves as an 'end to end integrator for logistics services by providing value added services and logistics support services to our clients. The service scope covers services such as supplier coordination and material call off functions, pre-retails services (price marking, packing, kitting, part assembly, product quality checking etc), site handling for specialized cargo (project cargo handling), export/ import coordination (customs operations & freight solutions).

A warehouse perfectly placed and connected to your sourcing areas can combine materials and goods pre-export, helping you optimise your landside movements and container loads. Our portfolio comprises non-bonded warehouses within ports for easy transfer to/from ships.

Our facilities also offer pit-stop solutions: late localisation and customisation with a wide range of value-added services, all supported by industry-leading Warehouse Management Systems.

When flexibility to minimise go-to-market efforts matter, our specialised services can offer you a competitive advantage (e.g. product customisation, quality controls, re-packing, returns management or product disposal).



Mobile VAS Operation

We have developed a new concept called On-call Value Added service in order to offer a faster value added service to our customers which enable us to offer a high productivity with a cost efficiency at a shorter lead time. Most importantly this service will be offered at customers door step (corporate) where customer has the luxury to closely interact with our team.

Transportation Management

CWL provide its services as an end-to-end 3PL logistics service provider, the Company also engages in inbound transportation of goods for clients and island wide distribution. Clients enjoy the benefit of a professional and economical service where both storage and transportation are handled by a single party. We utilise cargo specific vehicles, load and route planning methods which could effectively and economically handle specific transportation requirements, ranging from inbound containerized cargo to island wide redistribution. In addition, vehicles could be customized on demand to suit different types of cargo as per the customer requirement. Distribution and Transport related Key Performance Indicators along with the deployment of GPS tracking control to ensure delivery accuracy and accountability for maximum performance could be integrated into the client's distribution model as and when required.

Considering customer convenience, cost competitiveness, efficiency and cargo visibility, we have decided to invest on a TMS (Transport Management Service) software apart from GPS tracking in 2023-2024 to add value to our distribution operation which enable us to improve our delivery efficiency, accuracy as well as costs which can be share among our customers. Moreover it help us to maintain the best vehicle mix and optimum capacity utilization which will give us a competitive edge in the market.

For a seamless fulfilment solution, combine order processing with distribution services to handle the last leg of your supply chain. We can handle product deliveries via Full Truck Loads (FTL), Less than Truck Loads (LTL) or parcels to suit your requirements; whether that's to DCs, Wholesalers, Shop or end-consumer.

Full Truck Loads

Benefit from economies of scale and productivity when shipments are large enough to require the use of the entire truck. Reduce transit time by direct deliveries to final destination and avoid cargo to be handled en route.

Less than Truck Loads

Take advantage from the transportation of relatively small freight

at a fraction of the cost of hiring an entire truck for an exclusive shipment. Reduce handling costs and the risk of damage during transit by configuring shipments with the least amount of handling units possible.

Last mile Delivery

When speed, individualisation and specialisation of delivery services matters, parcel delivery becomes the most optimal transportation mode.

Project planning and project management.

When you need to transport cargo that is extra large, heavy and high in value, we offer special project cargo services to handle it. Managing heavy cargo requires special expertise, care and detailing. We offer customized

and unique project cargo handling solutions and expertise. Our broad experience and relationship with shipping companies, port authorities, custom agencies and international agencies leads to accurate implementation and finalization of the project. We coordinate safe-storage, transshipment and transportation.

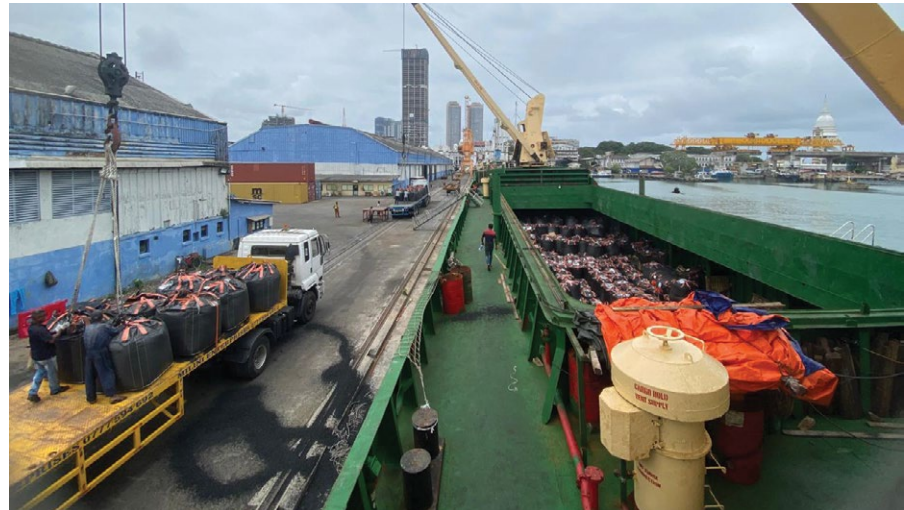
- ⚙️ Project planning and project management.
- ⚙️ Arranging customs clearance and ensuring safety & legal regulations are met.
- ⚙️ Optimizing the safe transportation of your cargo.

Coordinating and supervising transport via air, land and sea.



Supply chain and Logistic Consultancy services

We have gone an extra mile by introducing consultancy services in supply chain for our valued customers in order to optimize their logistic and supply chain activities. Our team consists of well-experienced and highly professional in-house consultants and project managers as well as a pool of industry professionals who add value to our customers by revalidating and optimizing their supply chain processes, systems and operations through observations and data analytic softwares. Our consultancy services range from warehouse construction, layout planning, infrastructure designs and related engineered services to process improvements and supply chain operational optimizations strategies and solutions along with transport and distribution optimization plans.



CHAIRMAN'S MESSAGE



In summary, the Company has the capability and skills required to be on par with the best in the industry.”

Dear Valued Shareholders,

I hereby present to you with honour and pleasure, the Annual Report and Financial Statements of Chrissworld PLC for the year ended 31st March 2023. It was an extremely challenging year for our business with almost all our clients being affected by the state of our nation, which directly impacted our performance. However the Company sailed through the stormy weather and was able to post a positive bottom line, though we fell short of our budgeted figures. It was a period of survival of the fittest, a period for protecting our clients, a period for retaining our team and boosting their spirits and a period for redrawing battle plans to emerge stronger, in calmer seas. This is exactly what the Company focussed on and the strategy has worked, which you as our dear shareholders will observe in the short term.

It is encouraging to witness a steady growth in our business segment – VAS (Value Added Services). With high profile clients coming on board, this segment is growing quite steadily and promises to be a cash cow for Chrissworld. We have built a strong reputation in the industry with our capability to handle bulk cargo operations, providing services in customs clearance, storage and delivery of cargo, in synergy with the strengths of our parent company, Chrisslogix (Pvt) Ltd. In the recent period, Chrissworld has obtained a license to operate as a freight forwarder and has invested in building our own domestic transportation setup, which are certainly going to contribute significantly to the growth and expansion of the Company's scope of operations.

Negotiations are yet ongoing with regard to venturing overseas. This is critically important for our plans to strike a good balance in operations and minimise the risks of external factors that can negatively impact our business. The Company is also on course to obtaining ISO certification and other standards certifications to enhance the confidence of our clients and potential clients. Investing in technology based solutions for our operations is also in progress.

In summary, the Company has the capability and skills required to be on par with the best in the industry. One of our biggest strengths is the reputation we have built in the industry through ethical practices and dealings, supported well by our dynamic, loyal and dedicated team. We will continue to pursue on our journey to be 'different in all aspects of our business' and to be recognized as a Company that can be trusted on our commitments to our stakeholders.

I sincerely thank my colleagues on the Board of Chrissworld, for their co-operation, trust and dedication and for being a united and focussed group which is core to being a strong Company. A special word of appreciation goes

to the Independent Directors, whose valuable inputs, ideas and suggestions and their roles evidently played out more with a great heart for the Company, have helped us in our forward journey.

As always I bow with respect to my people, who have all worked extremely hard and tirelessly in their own individual roles, adding to the success and growth of the Company.

I also sincerely thank you, our shareholders, for your trust and confidence in us and look forward to a greater year ahead.



Christopher Perera

Chairman

24th August 2023

GROUP CEO'S REVIEW



“
We are focussed,
We are aggressive
and We always
follow a never-say-
die attitude”

I'm proud to present the annual report of Chrissworld PLC for the financial year 2022/23 and I warmly welcome you all to the 3rd Annual General Meeting of the company as well. We have passed yet another year with a set of uncertainties and challenges. The last year has been more significant with a crash in the economic system and the political system of the country. The fuel crisis and shortages of other essentials have a rippling effect on the trade especially import restrictions had a major impact to our 3PL industry. However, we have remained constant in our commitment to our strategy and solid in our activities of creating value for our shareholders. Despite all the challenges we have demonstrated resilience and deliverables up to some certain level on satisfaction.

Demonstrating its true grit, determination, and a dare to do spirit, the company delivered satisfactory results during the last financial year. This achievement is a realization of our consistent, continuous strategy

which we put into place, both our logistics and warehousing businesses particularly in our core markets, where over the past years, we have pursued a holistic and unified approach which enabled us to deepen our penetration in our focused operations. The strategy that we adopted has enabled the company to transform itself into a leading player in the warehousing and logistics sphere and these results we see today are an outcome of the culmination of the diligent, hard work and efforts that have been put in over the last several years.

Business Overview and Challenges

In the current economic instability and post COVID-19 pandemic, we find ourselves amidst market uncertainties in the local and global logistics industries. The last year reflect negative growth due to the said environment of the county. As a third-party operator we have been seriously affected by the economic situation of the country and the political instability to our clients and it has had a back-to-back effect to our business. We have remained focused on protecting our business as well as our employees, supporting our customers and contributing to the societies by keeping goods flowing throughout the adversities.

– ensuring job security and creating a great place to work. Our colleagues at our warehouses have been in the eye of the storm. They have kept the client's goods moving by showing up to work every day. Our office-based colleagues have shown their resilience by adapting to working from home to the extent possible, and we have done our utmost to support this change, mentally and physically.

Amid an economic crisis that has large impacts on supply chains, customers need flexible and robust solutions. With our integrated approach,

we are supporting their end-to-end logistics needs, while controlling the most central assets and offering alternative cost-effective solutions.

In 2023, we will continue to focus on growing our warehousing and logistics, expanding our product portfolio to all relevant markets, and increasing cross-selling and upselling to our customers to deliver profitable, organic growth. In addition, we expect to continue to acquire capabilities and growth platforms, particularly within warehousing and distribution, as well as customs services to further strengthen our integrated product offerings. We will remain focused on optimizing our network and cost structure to ensure we stabilize earnings and deliver good, sustainable returns in our largest business.

All in all this past year has been remarkable in many ways. We have been awarded certificate of compliance for our 2022 annual report organized by the institute of Chartered Accountants of Sri Lanka at the TAGS Awards Ceremony on 06th December 2022 in Colombo. It was a great achievement by the company to be honored by such

prestigious organization after only being listed in the Colombo Stock Exchange.

It has been a year of resilience growth, where we saw the results of our sustained strategy over the past few years coming into fruition. With recorded performance gives me reason to believe that the Investments and strategies adopted during the last several years along with our ability to demonstrate our strengths as a trusted, reliable and dependable warehousing and logistics partner during the current year, has laid the foundation for the company to further expedite its growth initiatives into the future which will be holistically supported by Financial Capital, Human Capital and our strong technology platform. This gives me reason to be very excited for the future and growth of our company. This is only the start of our journey, and I sincerely believe that Chrissworld has much more to achieve over the next several years as we surge ahead with our growth plans.

We will continue on our growth journey focusing on developing our infrastructure, further strengthening

our competencies, expanding into new markets, deploying our technology competencies, attracting the right resources across to the organisation, all with the aim of delivering strong, sustainable returns to all our stakeholders.

Gratitude

Let me also take this opportunity to thank all our leadership team including our independent Directors for their expertise and our employees who have worked tirelessly under difficult conditions with sincerity dedication and commitment. I am immensely proud of the way in which they have risen to the challenge to do what is needed to support our company in these unprecedented circumstances. I am equally grateful for the ongoing support received from our customers, business partners and shareholders. This past year has only served to strengthen our ties which I hope will pave the way for us to work together to meet our stakeholder commitments whilst always being sensible of the environmental and social responsibility.



Suraj Suraweera

MD/CEO

24th August 2023



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- 1 MR. CHRISTOPHER PERERA (Chairman)
- 2 MR. SURAJ SURaweERA (MD/CEO)
- 3 MR. SITHIRA WICKRAMASEKERA
- 4 MR. SHANAKA LANSAKARA
- 5 MR. MELANGA DOOLWALA
- 6 MR. ROHAN LADDUWAHETTY

BOARD OF DIRECTORS

The Board of Directors of the Company comprises of experienced and professional individuals where there are 4 Executive Directors, and 2 non-executive independent directors. The Board is responsible to oversee the business affairs of the Company and provides leadership via formulating business strategies.



Mr. Christopher Perera

- Chairman, Executive Director

Mr Perera counts over 37 years of experience in the shipping & logistics industry. His career started at Hayleys Group in 1986, with ship agency and port operations in the initial period and moving later to feeder agency and freight forwarding. He completed a 20 year service period at Hayleys Group in 2006, after being elevated as Director of Lanka Orient Express Lines (Pvt) Ltd, a feeder agency representing Orient Express Lines, Dubai and as Director of NYK Logistics & Kusuhara Lanka (Pvt) Ltd, a joint venture in freight forwarding between Hayleys, NYK Logistics, Japan and Kusuhara Transportation Company, Japan.

He was the Founder Chairman / Managing Director and majority shareholder of Air Marine Logistics (Pvt)Ltd, incorporated in 2006 to pursue his ambition as an entrepreneur. The Company was developed as a strong customs clearance agency and an

international freight forwarder. Disposing his shares of the Company in 2012, he formed Chrisslogix (Pvt) Ltd, the parent Company of Chrissworld Ltd and has provided strong leadership towards the growth of the group.

Mr Perera was a former Chairman of the Association of Clearing & Forwarding Agents (ACFA) and a former Consultant to Ceylon Freight & Logistics Association (CEYFFA). He was also the former Hon'y General Secretary of the 80 Club of Colombo. His key strengths are in administration, public relations, network building and strategic management.

Pursuing his passion and hobby of Model Railroading, which is one of the world's greatest hobbies, he will be opening Sri Lanka's largest model railway exhibit as a visitor attraction by mid-2021. He was responsible in building a community of model railroaders in Sri Lanka over the last couple of years and is currently the President of the Model Railway Association of Sri Lanka.



Mr. S. A. D. Niranjan Suraj

- Managing Director/ Chief Executive Officer

Mr. Suraj has 31 years of experience in the shipping & logistics industry. Commencing his career in 1992 at Hayleys Group, he was involved in several subsidiaries of the Group covering finance, freight forwarding, shipping, NVOCC and 3PL, during a span of 2 decades. During the period 2006 – 2012 he headed the logistics operations of the FMCG sector of Logiwiz (Pvt) Ltd, a subsidiary of Hayleys.

He holds an Advanced Diploma in Logistics & Transport from the Chartered Institute of Logistics & Transport (UK) and is a member of the Chartered Institute of Logistics & Transport (UK) and Alumni from Indian Institute of Management, Ahmedabad. His key strengths are in logistics management, finance, strategic management and HR management.



Mr. Sithira Wickramasekera

- Senior Executive Director

Mr. Wickramasekera has experience of over 34 years in the fields of exports, trading and logistics. Starting his career in 1989 at Forbes & Walker Ltd, he was a Founder Vice President of Asia Siyaka Commodities Ltd and a Director of Asia Siyaka Warehousing (Pvt) Ltd and was part of a robust team involved in providing modern warehousing solutions for the tea industry of Sri Lanka.

He also heads the leisure segment of the Chriss Group and manages Kirala Island, an island resort on the Bolgoda Lake under Chrissleisure (Pvt) Ltd.

Mr. Wickramasekera holds a Post Graduate Diploma in Business Administration from the University of Colombo and is also a member of the Chartered Institute of Marketing (UK) and of The Chartered Institute of Logistics & Transport.

He is an ardent water sports enthusiast and is the Founder President of the Bolgoda Lake Rowing Club, Vice President of The Amateur Rowing Association of Sri Lanka and serves on the committee of the Canoeing & Kayaking Association of Sri Lanka.



Mr. Shanaka Lansakara

- Executive Director

Mr. Lansakara has over 25 years of broad based senior management level exposure in the logistics and supply chain industry in Sri Lanka and India, with leading players such as Hayleys and Sierra Construction.

He holds an MBA from Manipal University India, BSc Management Business Administration Special Degree from University of Sri Jayewardenepura and Graduate Advanced Diploma in Logistics & Transport from the Chartered Institute of Logistics & Transport (CILT). He is a chartered member of the CILT.

Mr. Lansakara is a visiting lecturer at CINEC Maritime Campus, CINEC Metro Campus since 2013 and also lectures at many leading academic institutes including the University of Sabaragamuwa.



Mr. Melanga A. Doolwala

Non-Executive Independent Director

Mr. Doolwala has over 20 years of experience in finance, specializing in financial management and strategy, whilst accumulating extensive knowledge and skills in the insurance industry for over 14 years. He held the position of Principal Officer/ GM Finance and Operations of Arpico Insurance PLC, a Subsidiary of Richard Peiris and Company PLC, until February 2021. He is also a director of Omeo Products (Private) Limited and AMD Holdings (Private) Limited.

He held management positions at X-ONT Software (Pvt) Ltd and Janashakthi Insurance PLC, and has hands on experience in public issuance of securities, whilst being the principal point of contact with capital market regulators (SEC & CSE), when listing Arpico Insurance PLC in 2014.

Mr. Doolwala holds an MBA from Cardiff Metropolitan University, UK and is an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK and was a member of the Member Engagement Sub Committee of CIMA in 2019 and continues to be actively involved with CIMA, Sri Lanka Division. He has also completed the Licentiate Exams from Insurance Institute of India.



Mr. Rohan Ladduwahetty

- Non-Executive Independent Director

Mr Ladduwahetty's expertise is in the Tea Industry of Sri Lanka with over 35 Years on hands on experience.

Having completed his education in Business and Finance in the UK, he returned back home in 1985 and joined the prestigious Van Rees Group, an investment from a private entity in Netherlands that created one of the largest Tea Traders in the world.

He later moved onto Almar Group, a traditional Rubber Exporter as the founder CEO of its Tea division.

In 2012, Mr Ladduwahetty formed Ramico International (Pvt) Ltd, in partnership with an overseas investor. The Company functions as an exporter of value added Tea to various destinations.

SENIOR MANAGEMENT TEAM



Mr. Ajith Prakash Rajapakse - General Manager

Mr. Ajith Rajapakse has, 33 years of overall professional work experience in the mercantile sector specializing in logistics and supply chain management. Experience in the logistics and supply chain industry is over 20 years in which period he has held key positions in areas of sales, marketing, business development, supply chain solutions, operations and logistics departments. He has an extensive exposure into tea industry, with over thirteen years of hands on work experience in managing, manufacturing, pre and post-harvest agriculture practices and in overall tea supply chain processes. A holder of a Master's degree from Birmingham City, University, UK in logistics and Supply Chain Management.



Mr. P Jayakody Arachchi - Manager Marketing

Mr. Jayakody Arachchi is an experienced senior management level professional in logistics, supply chain management and leisure and tourism industries, with a career spanning over 26 years. He has served in leading organizations in the apparel manufacturing industry and food & beverage industry in Sri Lanka.

He holds a Higher National Diploma in Business and Finance (B-TEC) and is also a qualified quality auditor for ISO 9000 Standards series.



Mr. Samudra Ratnayake – Senior Manager Operations

Mr. Ratnayake has been engaged in Logistics and Supply Chain industry with over 11 years' experience including employment in Logiwiz (Pvt) Ltd (Hayleys group). He demonstrates exposure to multiple operations in the logistics industry, multiple clients, and world leading WMS such as SAP warehouse management system etc.

He holds an M.Sc in Logistics and Supply Chain Management from Global Institute of Project Management and a Diploma in Business and Information Technology from the Siksil Institute of Business and Technology.



Mr. P.G. Dhanushka Chamara Dushyantha - Manager Operations & Value Added Services

Mr. Dhanushka has been engaged in Logistics and supply chain industry with over 15 years' experience including employment in Hayleys Advantis and Spectra Logistics. He demonstrates exposure to multiple operation in the logistics industry ,multiple clients. He has fair knowledge in warehouse management systems including SAP. Moreover he serving SAP WMS consultancy for the warehouse side to clients.

He holds Advanced diploma in logistics management in NIBM and reading the MBA in Kothalawala Defense university.



Mrs. Umesha Liyanarachchi – Head of Finance

Mrs. Liyanarachchi possesses over 6 years of proficiency including auditing and accounting experience from WIJEYERATNE & COMPANY that provides professional services in the fields of Auditing, Taxation, Management Advisory and Information Risk Management. She holds a B.Sc. (Special) Degree in Accountancy & Business Finance from the Wayamba University of Sri Lanka. At present, Mrs. Liyanarachchi is responsible for accounting and financial reporting activities of Chrissworld.

COMPANY PERFORMANCE

Economic Value Creation

We at Chrissworld give utmost importance to our shareholders, employees and other stakeholders thereby ensuring that the Company's financial capital and the economic performance is sustainable.

We believe that the success of our organisation depends on creating financial value for our shareholders, economic value to the economy, repayment of borrowing from financial institutions and creating value for our employees.

Management Approach

We have adopted a value creation process that supports the well-being of the economy by ensuring that all our business transactions create positive economic impact. This is strengthened by the Company's focus on having strong financial management, which will eventually increase the economic value. We are committed to create value to our shareholders,

which is also demonstrated in the Company's financial statements. A performance centric culture is created for our employees, thus opening avenues for increased efficiency and effectiveness.

Revenue

The Company's Revenue recorded a decrease of 13%, closing the books at to Rs. 309 million during the year, however the decrease of direct cost by a margin of 16% to Rs. 220 million this year. Revenue from the Company's core businesses which include, warehouse management

income of Rs. 209 million, contributed 66% to revenue, while handling income generated a sum of Rs. 28 million, contributing 9% ; the income from transport charges was Rs. 33 million, contributing 11% to the company's revenue. The areas of contribution are as follows;

Income Category	Amount	Percentage
Warehouse Management Income	209 Mn	66%
Handling Fee	28 Mn	9%
Transport Charges Income	33 Mn	11%
Value Added Services	40 Mn	13%
Other	5 Mn	1%

Profitability

The Company's profitability declined to Rs.13 million, from the previous year's 24 Million. This was mainly due to the increase in Selling, Distribution expenses and increase in administrative expenses and tax expenses in comparison to the previous year.

Gross profits and margins

The Company's Gross Profits declined only by 4% to Rs. 89 million despite the 13% decrease in revenue.

Direct, Other Costs and Earnings Before Interest and Tax

Direct cost of the Company amounted to Rs. 220 million, a 16% decrease from last year. It was mainly due to increase in Transport expenses and fuel expenses from the previous year and also increase in other utility and other operational direct costs. During the year administrative expenses amounting to Rs. 65 million was recorded, which was a 17% increase from the previous year. Selling and distribution expenses amounting to Rs. 9 million was recorded, which was a 42% increase from the previous year. Finance expenses decreased by 40%. Profit before taxes recorded Rs. 16 million.

Finance income of Rs. 5 million comprises with interest income received during the year.

Taxation

Income tax expenditure of Rs. 3.6 million, Increased by 88% compared to last year. Taxation has been computed according to the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments.

Profit After Tax

The Company profit after tax was recorded at Rs. 13 million, a 45% Decrease from last year and it was mainly due to 60% increase in Overhead Cost and 88% increase in tax expense.

Other Financial Review

The company has carried out an Initial Public offer (IPO) of 7,500,000 Ordinary voting shares at an offer price of Rs. 7.50 per share, successfully raising Rs 56.25 million. Accordingly, 30 million Ordinary Voting shares being the entirety of the issued shares post IPO were listed on the empower Board of the Colombo Stock Exchange on May 18, 2021.

Cashflow

☼ Cashflow from operating activities

For operating activities Rs. 50 million generated from the during the year and it was mainly due to expansion of operational activities.

☼ Cashflow from investment activities

For investment activities Rs. 48 million used for the during the year and it was mainly due to purchase of Property Plant and Equipment and Investment in Fixed Deposits.

☼ Cashflow from finance and other activities

For financing activities Rs. 25 million used for the during the year. And third-party Lease Liability loan of 15Mn settled and Rs.6 million of dividend paid during the year.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Rs.	2023	2022
Profit Attributable to Ordinary Shareholders (Rs.)	12,516,902	24,888,467
Weighted Average Number of Ordinary Shares	30,000,000	30,000,000
Basic Earnings Per Share (in Rs.)	0.42	0.83

Net Asset per share

The net asset value represents a fund's market value. When expressed at a per-share value, it represents a fund's per unit market value. The per-share value is the price at which investors can buy or sell fund units. Net asset value (NAV) is defined as the value of a fund's assets minus the value of its liabilities.

Rs.	2023	2022
Net Asset Value	108,186,141	101,110,404
Weighted Average Number of Ordinary Shares	30,000,000	30,000,000
Net Asset Value Per Share (in Rs.)	3.61	3.37

LOCAL ECONOMY/ LOCAL LOGISTICS INDUSTRY

Market Review of the Logistics and Supply Chain Industry in Sri Lanka for the Year 2023

The logistics and supply chain industry in Sri Lanka witnessed significant growth and development in the year 2023. Advancements in technology, infrastructure, and policy reforms have played a crucial role in shaping the industry's landscape.

Industry Size and Growth

The logistics and supply chain industry in Sri Lanka experienced robust growth in 2023, contributing significantly to the country's economy. The sector saw an increase in market size, driven by escalating consumer demands, the rise of e-commerce, improved trade ties, and increased foreign direct investment inflows. Although the exact figures for the industry's size may vary, industry sources project a growth rate of approximately 8-10% during the year. According to a report by Mordor Intelligence, the Sri Lanka Freight and Logistics Market size is expected to grow from USD 7.41 billion in 2023 to USD 9.46 billion by 2028, at a CAGR of 5 % during the forecast period (2023-2028). Another source, Statista, projects that the revenue in the Third-Party Logistics (3PL) market in Sri Lanka will reach US\$1.3 billion in 2023.

Infrastructure Development

Infrastructure development remained a key priority for Sri Lanka in 2023, as the government continued its efforts to enhance logistic capabilities

and facilitate efficient supply chain management. Major infrastructure projects, such as the development of new ports, airports, and road networks, improved connectivity across the country through the progress was hit by the adverse economic situation. The Colombo Port City project also gained traction, positioning Sri Lanka as a regional transshipment and logistics hub, attracting foreign investments.

E-commerce and Digitalization

The year 2023 marked a significant surge in e-commerce activities within Sri Lanka, driving the need for efficient logistics and supply chain solutions. Increased internet penetration, a growing middle class, and changing consumer behavior have fueled the growth of e-commerce platforms. This rapid growth led to a rising demand for last-mile delivery solutions, warehousing facilities, and advanced tracking systems, as companies focused on improving their overall supply chain efficiency and responsiveness.

Adoption of Technology

Technological advancements played a pivotal role in shaping the logistics and supply chain industry in Sri Lanka during 2023. Several companies embraced semi automation, robotics, and artificial intelligence to streamline their operations and reduce human error. The use of IoT devices, drones, and block chain technology gained traction, offering improved visibility, real-time tracking, and enhanced security throughout the supply

chain. Increased adoption of these technologies led to greater efficiency, cost savings, and better customer experiences.

Challenges and Opportunities

While the industry recorded substantial growth, it faced several challenges that impacted operations. Infrastructure bottlenecks, such as congested roads and outdated transportation networks in some regions, posed limitations to efficient logistics. The shortage of skilled professionals and talent gaps within the industry also presented challenges for companies. Moreover, regulatory hurdles and bureaucratic delays hindered the ease of doing business.

The challenges, however, also presented opportunities for innovation and growth. Recognizing the need for skilled labor, the government and private sector collaborated on vocational training programs, aiming to develop a skilled workforce to meet industry demands. Additionally, regulatory reforms aimed at simplifying customs procedures and reducing red tape were introduced to enhance efficiency and encourage investment.

Transshipment Services

For the last ten years, the Port of Colombo reported a steady growth of 4.5% in container traffic and transshipment volume accounted for more than 75% of the total container quantity.

There are three types of trans-

shipment methods practised in Sri Lanka:

1. Hub-and-spoke (hub/feeder) – between deep-sea and feeder
2. Interlining/intersection – between deep-sea and deep- sea along shipping routes
3. Relay –between deep-sea and large deep-sea as an interface between shipping routes along with the same maritime range but servicing different ports of call.

Sri Lanka is the main transshipment hub for the Indian subcontinent and other South Asian Countries, mainly to take the best advantage out of the free trade agreements between South Asian countries (SAFTA), Sri Lanka and Singapore, and the country's participation in the Generalized System of Preferences (GSP).

Colombo Port focuses on container trans-shipment largely for the textile industry while Magampura International Port in Hambantota provides services mainly for vehicle transshipment (roll-on/roll-off operations). Japanese, Korean and Indian carmakers use this port for trans- shipping vehicles built in India, Thailand, Japan and China to markets in Africa, the Middle East, Europe and the Americas.

Commercial Hub Operation

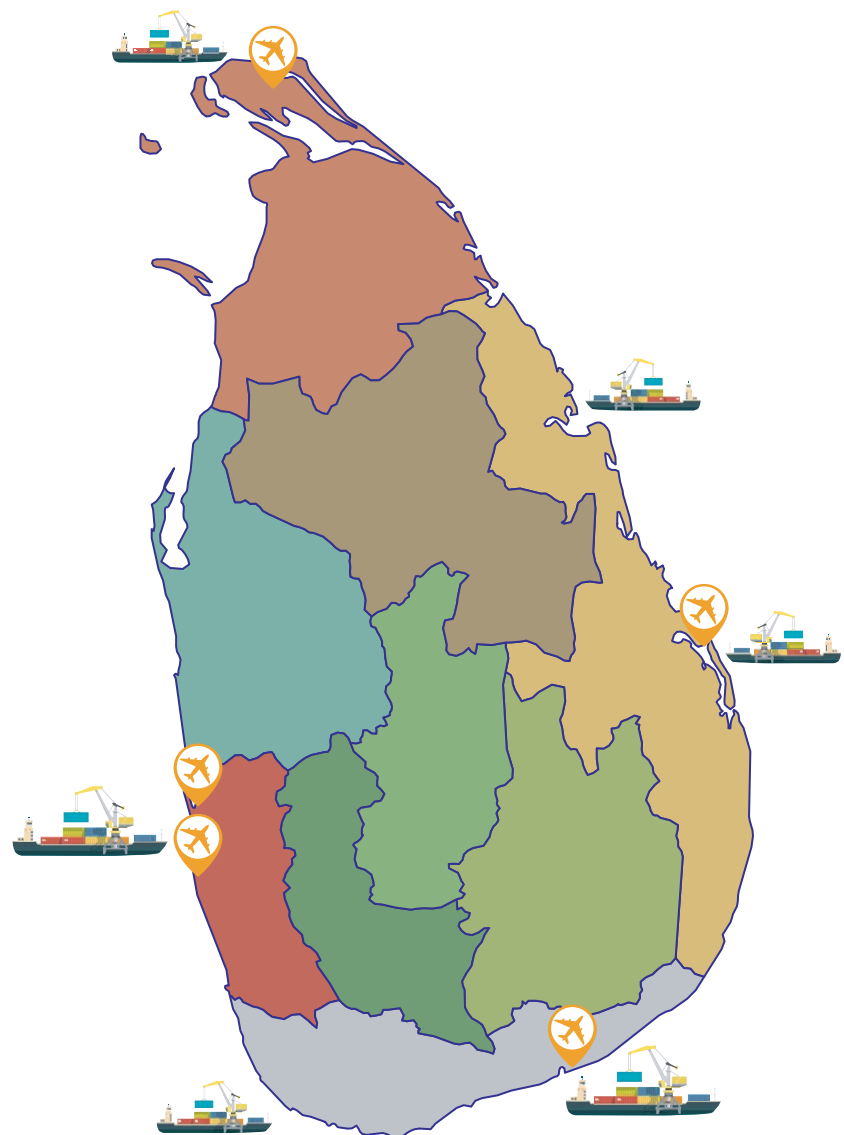
The Indian Ocean is an emerging growth pole and one of the busiest East-West trade corridors. Over 2/3 of global oil shipments and 1/3 of bulk cargo are transported through the Indian Ocean while 1/3 of the global bulk shipping trade, including

petroleum products and coal transit across this region are transported through the Indian Ocean.

Positioned between the two leading logistic hubs in Singapore and Dubai, Sri Lanka handles over 25% of the regional container throughput, which makes the development and expansion of commercial logistic hubs an obvious future to the Sri Lankan logistic sector.

Establishment of commercial logistic hubs, which are specific area designated to deal with activities related to transportation, organization, separation, coordination and distribution of goods for national and international transit, on a commercial basis by various operators within a network of logistic parks has been the priority of Sri Lanka.

The country also facilitates cargo consolidation, multi- country consolidation and other ancillary services to meet global requirements.



CORPORATE GOVERNANCE PRACTICES

Corporate Governance at Chrissworld PLC comprehends promoting corporate impartiality, transparency, accountability and responsibility in directing and controlling the company in the best interest of the stakeholders. All structures, principles and policies are focused on ensuring that the company is governed in a manner that safeguards the best interest of all stakeholders and this report aims to provide details of how this is done in practice.

COMPANY'S BRIEF AND COMMITMENT TOWARDS CORPORATE GOVERNANCE

We firmly believe that good Corporate Governance is not only fundamental in ensuring that the Company is well managed in the interest of all its stakeholders, but is also essential to attain long term sustainable growth. Corporate Governance is of utmost importance in driving the company towards its high standards of managing the company in an ethical, efficient and effective manner whilst fostering an entrepreneurial culture.

COMPLIANCE WITH CORPORATE GOVERNANCE CODES

Chrissworld PLC practices are consistent with the requirements given in the Code of Best Practice on Corporate Governance issued jointly by CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka (SEC) as well as Rule Number

7.6 and 7.10 of Listing Rules issued on Corporate Governance by the Colombo Stock Exchange (CSE). The principles set out in these codes have been adopted by us to shape our corporate governance stance.

STATEMENT OF COMPLIANCE

We aim to ensure that good corporate governance provides a solid basis for our business, in promoting transparent and ethical business conduct at all levels and add value for our stakeholders. Thus, we continue to be committed to the highest standards of corporate governance across all dimensions of our operations and these standards are encapsulated in our governance policies and documents.

The Board of Directors also wishes to confirm that, to the best of their knowledge and belief, the Company has complied with all requirements under the Companies Act No 07 of 2007 and satisfied all its statutory payment obligations to the Government and other statutory/regulatory bodies.

GOVERNANCE STRUCTURE

The Governance Structure of Chrissworld PLC allows effective and efficient decision making while interconnecting elements in governance. It is enabled by having the right balance of authority and power throughout the organization. It comprises process and structures

which affect the way an organization is directed, managed and monitored and its activities are reported.

ANNUAL GENERAL MEETINGS

An AGM is held each year as required by the provisions of the companies Act. The Shareholders are allowed to directly communicate with the Board of Directors, it is regarded as the most effective mode of communication with all Shareholders.

ANNUAL REPORT

The Company's Annual Report is the main document that is used to disclose corporate information to the Shareholders. The Company discloses financial and non-financial information.

Further quarterly financial statements, dividend declarations and other required information is published in the CSE website for the reference of all shareholders statements.

BOARD OF DIRECTORS

The Company's commitment to uphold the highest standards of corporate governance is driven by the Board of Directors which is led by the Chairman. Each Director identifies himself/herself with a duty to act in good faith and in the best interests of the Company. The Board is responsible for the Shareholders for creating and delivering sustainable shareholder value through management of its business activities.

The Company as a part of its transformation to a public company has identified the importance of good corporate governance practices that would enhance corporate transparency by having a robust system of internal controls, procedures and financial reporting systems.

Board meetings held at once in every quarter in a financial year 2022/23 in order to effectively execute the board's responsibilities, while providing information to the board.

As such, the Company has appointed two Non-Executive Independent Directors to the Board namely:

Mr. Melanga A. Doolwala

Mr. Rohan Ladduwahetty

Names of the Directors	Board Attendance
Mr. Christopher A.M. Perera Chairperson	4/4
Mr. Suraj Suraweera Managing Director / Chief Executive Officer	4/4
Mr. Sithira Wickramasekera Executive Director	4/4
Mr. Shanaka Lansakara Executive Director	4/4
Mr. Melanga A. Doolawala Non-Executive Independent Director	4/4
Mr. Rohan Ladduwahetty Non-Executive Independent Director	4/4

ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

Our Company acknowledges and respects the clear distinction between the roles and responsibilities of the Chairman and the Managing Director. This ensures a balance of power and no one person has unconstrained power in decision making and implementation.

APPOINTMENT OF DIRECTORS

The Nomination Committee recommends the appointment of Directors to the Board. Upon the appointment of a new Director to the Board, the Company informs the Colombo Stock Exchange with a brief resume of the Director, containing the nature of his/ her expertise in relevant functional areas, other directorships held, memberships on Board Committees and the nature of the appointment.

RE-ELECTION OF DIRECTORS

Directors, except those who are over 70 years of age are appointed by the Board and are eligible for re-election at the next Annual General Meeting by the shareholders.

BOARD COMMITTEES

Three Board Committees are established by the Board to assist with discharging its duties and responsibilities effectively and efficiently. Namely the Audit Committee, Related Party Transactions Review Committee and Remuneration Committee. The committees are provided with all essential resources to empower them to undertake their duties in an effective manner. The Company Secretaries act as the Secretary to the committees, and the recorded minutes of each committee meeting are circulated to all directors on completion.

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

AUDIT COMMITTEE

Audit Committee comprises of two non-executive independent directors where they are empowered to oversee the financial reporting processes, internal controls, internal audit, whistle blowing activities, and assess the independence and performance of external auditors:

The Committee comprises of following directors:

Names of the Directors	Committee Attendance
Mr. Melanga A. Doolawala Chairman of the committee Non-Executive Independent Director	4/4
Mr.Rohan Ladduwahetty Non-Executive Independent Director	4/4

Functions of the Audit Committee include the following:

- ⊗ Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements of a Listed Entity, in accordance with Sri Lanka Accounting Standards.
- ⊗ Overseeing of the Entity's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.
- ⊗ Overseeing the processes to ensure that the Entity's internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards.
- ⊗ Assessment of the independence and performance of the Entity's external auditors.
- ⊗ To make recommendations to the board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company is established to assist the Board and provide guidance the remuneration (cash and non-cash benefits) payable to the executive and non- executive directors of the Company.

The committee constitutes the following non- executive independent directors:

Names of the Directors	Committee Attendance
Mr.Rohan Ladduwahetty Chairman of the committee Non-Executive Independent Director	4/4
Mr. Melanga A. Doolawala Non-Executive Independent Director	4/4

The remuneration policy of the Company is to maintain a balance between providing a suitable compensation to the employees and their performance for the best interest of the Company and the shareholders. The remuneration packages recommended by the Board will be reviewed by the members of the Remuneration Committee to provide required guidance when required.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The scope of the committee is to provide independent review, approval and oversight of related party transactions to ensure such transactions are executed in a transparent manner whilst being compliant with applicable regulations upon listing. The committee comprises of Non-executive independent directors, together with an executive director as follows:

Names of the Directors	Committee Attendance
Mr. Melanga A. Doolawala Chairman of the committee Non-Executive Independent Director	4/4
Mr.Rohan Ladduwahetty Non-Executive Independent Director	4/4
Mr.Suraj Suraweera Managing Director / Chief Executive Officer	4/4

STATEMENT OF COMPLIANCE ON RELATED PARTY TRANSACTIONS

The Borad of Directors declare that the company has complied with the rules applicable on related party transactions as per CSE listing rules.

HUMAN CAPITAL

We respect Human Capital and consider as the biggest asset of the company, hence set industry best practices to manage them effectively to be competitive in the industry. We always treat our employees as partners and empowered them upon their capabilities, recognize and reward accordingly. Our Human Capital Management policies focused on optimizing human value to the company by Hiring right talent with needed skill sets, training and development, reward and recognition to increase human productivity.

The unique and open culture we practice has given utmost freedom to our employees which they have taken positively, hence we were able to get the best out of our employees. Due respect and equal opportunities the management has given across the company been highly recognized by our employees. Though we couldn't accomplish our annual training and development initiatives towards talent retention due to factors such as economic unrest, we managed to retain our employee turnover ratio far below industry bench mark due to our employee centric initiatives. We always encourage employees towards accomplishing their academic and professional education qualifications, not hesitate to reward and recognize on such achievements.



KEY HIGHLIGHTS

- ⊗ Raising employee standard to take them to next Level.
- ⊗ Training, recognition, empowering and rewarding.
- ⊗ Strict adherence of Child labor policies and Compliances.
- ⊗ Fair play and equal employee opportunities.
- ⊗ 99% employee retention ratio.
- ⊗ Empowerment through delegation of authority.

RISKS / CHALLENGERS

- ⊗ Competition towards talents and skills
- ⊗ High cost in training and development
- ⊗ High dependency on employee skills
- ⊗ Retention risk due to health and economic unrest.

WAY FORWARD

- ⊗ Medical and workman compensation insurance policy
- ⊗ Open door culture
- ⊗ Professional Memberships
- ⊗ Regular outings and get-togethers
- ⊗ Safety and quality best practices
- ⊗ Sponsoring educational programs
- ⊗ Training, Mentoring and personal development
- ⊗ Reward and talent Recognition
- ⊗ Multi sector exposure via employee rotation



WAY FORWARD

We too experience uncertainties, particularly political unrest, economic downturn and its impact on trade and business confidence. However leveraging on training and academic education which employees have undergone, open door policies, management contribution and interest towards Human skill development, we were able to steer ourselves in to a decent position. We as a Human centric organization have several HR initiatives in pipeline irrespective of undergoing challenges, which will offer tremendous benefits to our employees along with assured job security and management strongly believes that the planned reward and recognition initiatives, Leadership development programs and academic knowledge enhancement programs will improve employee leadership skills and managerial skills , motivate them which leads to productivity improvement to be competitive in the market. We have already recruited few tech driven, well experienced staff to drive the business as well as our expansion projects.



Chrissworld PLC was awarded the certificate of listing in the Colombo Stock Exchange in year 2021, in recognizing the entity being registered as a public quoted company and in year 2022 it was also recognized and awarded for compliance in financial reporting by Chartered Accountants of Sri Lanka for the year 2022, under emerging listed companies.

INTELLECTUAL CAPITAL

Intellectual Capital (IC) is the intangible value of a business, such as knowledge, skills, innovation and relationships. Chrissworld has embarked in improving its overall services through structured investments in building its intellectual capital base on key three pillars;

- a) **Human capital;** Enhancing knowledge, skills, creativity and motivation of the employees and managers of Chrissworld team.
- b) **Structural capital;** continually improving and introducing processes, systems, technologies and infusing new trends to its organizational culture that supports the delivery of its services to the customers.
- c) **Customer capital;** Building trust, relationships, loyalty and satisfaction of the customers and partners of Chrissworld PLC.

Chrissworld PLC has strived to consciously increase knowledge, skills, creativity and motivation of the employees and managers through continuous investment in training and exposing the Chrissworld team to latest trends both in operational and customer service which it believes to be an integral part of the overall service deliverability and satisfaction levels of its customers ,hence has implemented training on key digitization platforms and IoT based (internet of things) real time information accessibility to its customers servicing in key service segments such as inventory management and distribution management services. Chrissworld PLC with the expansion of its

transport and distribution services has implemented a transport management system (TMS) to bring forth the integration of digitization to the next level by sharing information on a ready to access dashboard to the customers in providing visibility of their product movement from any of Chrissworld warehouse locations to customer delivery points, be it to any part of the island. Furthermore, use of GPS – Global Positioning System tools the fleet is optimally managed ensuring the customer gets transparency in all the functions with information to his cargo delivery times, adhering to compliance such as temperature and humidity sensors ,route optimization, product safety and overall journey efficiency. Chrissworld is reaping benefits of its WMS solution already established and fully functional, and continuously improving on real time accessibility to information providing customers information related to their valuable inventory, whilst in the custody of Chrissworld warehouse locations, in single or in multiple locations.

SUSTAINABILITY STRATEGY

Sustainability strategies in the logistics industry is a much talked about subject and a key driver in promoting ethical standards that are green initiative focused, accountable and socially responsible. Chrissworld has actions that aim at reducing the environmental and social impact of its operations, such as emissions, noise, waste and accidents and ensuring the processes are built on and monitored. Gathering and analyzing data to measure and improve the environmental performance of Chrissworld assets and facilities, adopting green technologies and practices, such as electric operated material handling equipment (MHE), renewable energy such as solar generated lighting systems , improving fuel efficiency of vehicles and periodic emission testing , recycling and waste management are some of the initiatives taken by the company . Chrissworld PLC has aligned its CSR projects engaging with customers, suppliers, regulators and communities to promote sustainability awareness and collaboration, by way of engaging in regular training and collaborative functions with regulatory bodies such as local authorities (Grama Niladhari Division), PHIs (Physical Health Inspectors) and initiating community cleaning programs to keep a healthy environment in and around Chrissworld locations. Chrissworld PLC has its sustainability strategy aligned with the corporate strategy and implementing it systematically across the organization.

KEY HIGHLIGHTS

- ⊗ On-going focus on safety of surroundings and continuous training
- ⊗ Continuous awareness creation during weekly floor meetings with market case studies
- ⊗ Maintain close relationship with warehouse owners in assuring on time maintenance
- ⊗ Zero hazarders discharge to environment
- ⊗ Maintain Proper waste management schedules
- ⊗ Continuous investment in our corporate social responsibility initiatives

CHALLENGERS

- ⊗ Rising cost and its impact on stakeholders' affordability
- ⊗ The difficulty of measuring and reporting the environmental and social impact of logistics operations, which may require complex data collection and analysis methods.
- ⊗ The resistance to change and innovation from some stakeholders, such as customers, suppliers, employees and competitors, who have different preferences and expectations for logistics services.
- ⊗ The uncertainty and complexity of the future scenarios of climate change and environmental degradation, which may pose new risks and challenges for logistics planning and management.

WAY FORWARD

- ⊗ Continuous improvements to the waste management process
- ⊗ Maintaining close relationship with local authorities
- ⊗ On-going focus on community engagement initiatives

RISK MANAGEMENT REPORT

ENTERPRISE RISK MANAGEMENT PROCESS

OVERVIEW

Risk arises in all our business activities. Risk, in our context, is the component, which has the potential to negatively affect business or an organization. Its' significance is measured in terms of the probability of occurrence. Therefore an integrated risk management framework has become a mandatory existence, which provides the guide line for managing risks. Managing risk is a key aspect of the Board's stewardship obligations and a component of the 'performance' dimension of Enterprise Governance. The risk management framework illustrates our approach to risk management, reflecting the risk management process, the structure in place to administer the process and sources of comfort with regard to its effectiveness.

RISK MANAGEMENT FRAMEWORK

A risk cannot be viewed in isolation as it is inter connected and also one aspect might give rise to

various other factors. CWL has a structured risk management process to address different risk categories: Strategic, Operational, Compliance and Financial. The Board is responsible for ensuring effective risk management and recognizes that the proper management of risk is a core leadership function that must be practiced throughout the Organization.

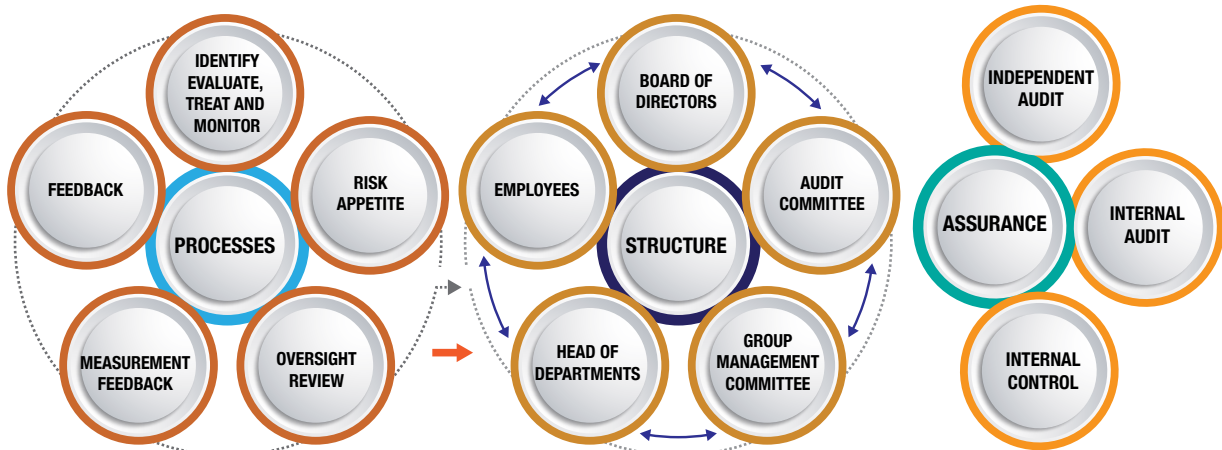
Internal Audit process coordinates the identification and documentation of control risk areas throughout the Company, enhancing the risk management system and monitoring its effectiveness at regular intervals. In addition, during the year-end, the External Auditor issues a Management Letter and informs the Group Management Committee, Audit Committee and the Board of Directors of the outcome of these evaluations. These outcomes are taken into account in the continuing enhancement of our risk management system. Further the Audit Committee constantly evaluates risk, its impact and measures taken to manage risk. The principal aim of the company's risk management governance structure and system of Internal Control is to manage business and

operational risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. We have put in place a number of key policies, processes and independent controls to provide assurance to the Board on the integrity of our reporting and effectiveness of our systems of Internal Control and risk management.

RISKS RELATED TO THE 3PL INDUSTRY

Supply/ Demand fluctuation – Entire logistics industry is driven by the supply and demand created for goods since the industry links the providers and end users to fulfill their requirements. 3PL service providers are also a part of this chain hence the storage and handling operations have a direct impact from the demand and supply. These fluctuations have an impact on returns of the business and businesses that have the flexibility in cost structures are able to better manage any downside risks.

Loss/ damage to the cargo – it is natural that stored or transit cargo could be lost or damaged due to intentional or natural disasters. Possible causes could be by theft,



negligence in handling, damage due to fire, floods etc. As 3PL service providers are responsible for proper management of third-party cargo, such losses create negative monetary and reputational impact. In order to mitigate these risks, service providers resort for insurance policies that adequately cover the losses while internal security and procedural controls are implemented to prevent intentional threats.

RISKS RELATED TO BUSINESS OPERATIONS OF THE COMPANY

Fluctuation in Volumes Stored/Handled – It is an inherent feature in the warehousing business that volumes handled do fluctuate according to the requirements of clients. As a result, the revenues of the Company are subjected to inconsistency. Having a broader clientele covering different industry verticals could mitigate this revenue volatility. In addition, given that the company has outsourced key resources such as man power, it provides the flexibility to reduce such costs when there are drops in volumes.

Third party Owned warehouses – All of the warehouses used by the Company are obtained on rent basis. Therefore, in the event a landlord requires the warehouse to be returned, Chrissworld is required to seek another suitable premise to move the cargo. This could lead to a disruption to business until another property is obtained on rent basis and stocks moved to the new location, which also incur additional costs of loading, unloading and transportation. As per the rent agreements, a termination clause is provided which

require 3 months' notice to be given by the landlord to the Company which enables the Company to effectively plan for alternatives and to minimize the extra costs. Potential discontinuation of services obtained by clients within the period of agreement – Clients that obtain storage and related facilities could discontinue the services obtained by them due to a non-compliance by CWL with required standards or high rates. In such circumstances the Company would lose corresponding revenues from such clients.

To ensure compliance standards required by the regulators or clients are properly followed, CWL maintains best warehousing practices, conduct on-site reviews with major clients on a quarterly basis, thus any noncompliances are rectified to avoid termination of services.

MACROECONOMIC RISKS

Contraction in economies – since logistics is a support service for effective operation of manufacturing and trading activities, drops in demand for goods, raw material etc. due to economic recession has a direct impact on the business. This could lead to lower level of cargo storage and reduction in inventory handling operations. These types of risks are not within the control of the Company; however a persistent economic recession can cause long term revenue declines and shrink the margins.

LOGISTICS MARKET REVIEW

The global logistics industry plays a crucial role in facilitating trade and commerce by efficiently moving goods and services across various geographic locations. In recent years, this industry has undergone significant transformations due to technological advancements, changing consumer behavior, and the impact of global events, such as the COVID-19 pandemic.

1. Industry Size and Growth:

According to sources, the growth expected in the global logistics market in 2023 varies from 3.5 % to 20.1%, depending on the segments and regions considered. The market value is projected to range from USD 12.68 billion to USD 684.88 billion in 2023. Some of the factors driving the growth are the increasing e-commerce activities, the rising demand for efficient and reliable logistics services, and the adoption of new technologies and innovations in the logistics industry.

Key Drivers:

Several factors are driving the growth of the logistics industry worldwide:

a) E-commerce Boom:

The rapid growth of e-commerce platforms has significantly increased the demand for efficient logistics solutions. With more consumers opting for online shopping, companies are focusing on last-mile delivery solutions and expanding their warehousing capabilities to meet customer expectations.

b) Globalization and Trade:

International trade continues to drive the logistics industry, with increased cross-border transactions and trade agreements among nations. As companies expand their operations worldwide, the demand for global logistics services, including freight forwarding and customs clearance, is expected to rise.

c) Technological Advancements:

The logistics industry has embraced technological innovations, such as automation, AI, IoT, and block chain, to optimize operations, enhance supply chain visibility, and improve efficiency. These technologies are facilitating better tracking and monitoring of goods, reducing costs, and streamlining processes.

2. Challenges:

However, the logistics industry also faces several challenges:

a) Infrastructure Limitations:

Inadequate transportation infrastructure, including roads, ports, and airports, in many regions can hinder the smooth flow of goods. Governments and industry players need to invest in infrastructure development to address these limitations.

b) Regulatory Compliance:

Complying with evolving regulations and customs

requirements can be a complex task for logistics companies. Adapting to changing trade policies and ensuring compliance with international standards is crucial to avoid disruptions in operations.

c) Sustainability and Environmental Concerns:

With increased focus on sustainability, logistics companies are under pressure to reduce their carbon footprint and adopt eco-friendly practices. The industry is exploring alternative energy sources, optimizing transportation routes, and implementing greener packaging solutions.

3. Regional Analysis:

a) North America:

The logistics market in North America is expected to witness significant growth due to robust e-commerce penetration, strong domestic consumption, and expanding cross-border trade with Canada and Mexico. Integration of advanced technologies in logistics operations and investments in infrastructure development are also driving the market growth.

b) Europe:

Europe has a well-established logistics infrastructure and is witnessing steady growth in the e-commerce sector. The region's focus on sustainable logistics practices and the adoption of innovative technologies are supporting industry growth.

Brexit-related challenges and changing trade dynamics may pose certain uncertainties in the near term.

c) Asia-Pacific:

Asia-Pacific is a key region in the logistics industry, with emerging economies like China and India driving market growth. The region's large consumer base, rapid urbanization, and growing middle class are key factors supporting the logistics market. Infrastructure development initiatives like the Belt and Road Initiative in China are further boosting the industry's growth prospects.

d) Latin America and Middle East:

These regions are experiencing increasing investment in infrastructure development, particularly in emerging economies like Brazil, Mexico, and the United Arab Emirates. The logistics industry is expected to grow due to expanding e-commerce, rising disposable incomes, and high urbanization rates in these regions.

The global logistics industry is expected to witness robust growth in the coming years. Technological advancements, increasing cross-border trade, and the need for efficient supply chain management will continue to drive industry expansion. However, companies will need to address challenges related to infrastructure, compliance, and

sustainability to sustain growth.

The global logistics industry is evolving rapidly, fueled by factors like e-commerce growth, globalization, and technological advancements. As companies strive for faster deliveries, enhanced visibility, and cost optimization, the logistics sector is at the forefront of innovation. Industry players should continue to adapt to changing market dynamics, invest in technology, and embrace sustainable practices to stay competitive in an evolving landscape.

AUDIT COMMITTEE REPORT

The Audit Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meetings and responsibilities of the Committee.

Purpose

The purpose of the Audit Committee is to:

- ⊗ Assist the Board of Directors in fulfilling its overall responsibilities for the financial reporting process.
- ⊗ Review the system of internal control and risk management procedures.
- ⊗ Monitor the effectiveness of internal audit function.
- ⊗ Review the Company's process for monitoring compliance with laws and regulations.
- ⊗ Assess the independence and performance of the Company's external auditors.
- ⊗ Make recommendations to the Board on the appointment of external auditors, their remuneration and their terms of appointment.

Composition

The Audit Committee consisted of two Independent Non-Executive Directors namely, Mr. Melanga A Doolwala – Chairman and Mr Rohan Ladduwahetty. Their brief profiles are given on pages 16 to 17 of the Annual Report.

The Company Secretary functioned as secretary to the Audit Committee.

Meetings

The Committee held 5 meetings during the year under review. The

Managing Director, the Finance Manager were generally invited to attend audit committee meetings. The key management personnel and the external auditors were invited to attend the audit committee meetings when their presence was considered necessary. Minutes of the meetings were tabled at meetings of the Board to ensure that all Directors were kept informed of the activities.

Financial Statements and Related Disclosures

The Committee, in line with its responsibility to oversee the Company's process of financial reporting, reviewed the following areas to the extent it deemed necessary and appropriate, in discussion with the external auditors and the management:

- I. Significant financial issues and judgements made in connection with the preparation of the Company's Financial Statements.
- II. Consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards (SLFRS/LKAS).
- III. Requirements of the Companies Act No 07 of 2007.

The Audit Committee has reviewed the Annual Financial Statements for the year ended 31st March 2023 before their issuance.

External Auditors

The Audit Committee met with the External Auditors, reviewed the Audited Financial Statements and

discussed all matters of relevance and significance. The Committee ensured that the non-audit services provided by the External Auditors did not impair their independence and objectivity and such services were assigned in a manner to prevent any conflict of interest. The Audit Committee has recommended to the Board of Directors that Messrs Wijeyerathna & Company be appointed as Auditors for the financial year ending 31 March 2024 subject to approval of shareholders at the next Annual General Meeting.

Conclusion

The Audit Committee is satisfied regarding the reliability of financial reporting of the company, that the assets are safeguarded and that all relevant laws, rules, regulations, code of ethics and standards of conduct have been followed.



Melanga A Doolwala
 Chairman – Audit Committee
 Colombo, Sri Lanka.

24th August 2023

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related party Transactions Review Committee, appointed by and responsible to the Board of Directors, consists of two independent Non Executive Directors, Melanga A Doolwala, Mr Rohan Ladduwahetty.

THE OBJECTIVES OF THE COMMITTEE

1. To exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs")

Other than those exempted by the CSE listing rules on the Related Party Transactions) of Chrissworld PLC are carried out and disclosed in a manner consistent with CSE Listing rules.

2. To advise and update the Board of Directors on related party transactions of Chrissworld PLC on quarterly basis.
3. To ensure compliance with the CSE listing rules on Related Party Transactions.

4. To review policies and procedures of Related Party Transactions of Chrissworld PLC
5. To ensure shareholders interests are protected and that fairness and transparency are maintained.

POLICIES AND PROCEDURES ADOPTED BY THE COMMITTEE

Head of Finance is responsible for reporting the information set out under 'Appendix 9 A' of the listing rules with regard to each related party transactions proposed to be entered into by the Company with the exception of information listed in the section 9.5 of the listing rules for the committee to review and to grant approval or disapproval.

The Committee held 4 meetings during the year 2022/2023.

Committee had Reviewed related party transactions during the financial year and communicated observations to the bord of directors.β

The directors have disclosed the transactions with related parties in terms of Sri Lanka Accounting Standard (LKAS 24). All details of such related party transactions entered into during the year are given in Note 26 to the Financial Statements of this Annual Report.



Melanga A Doolwala

Chairman

24th August 2023

REMUNERATION COMMITTEE REPORT

The Remuneration Committee, appointed by and responsible to the Board of Directors, consists of two independent Non Executive Directors Mr Rohan Ladduwahetty, Mr Melanga A Doolwala. Committee is chaired by Mr Rohan Ladduwahetty.

The Committee had one meeting during the year 2022/2023. Committee was appointed at the time of listing the company.

The Remuneration Committee will review on the existing structure of the remuneration and will recommend the following to the Board of Directors:

1. Policy on remuneration of the Executive Staff.

The committee will take into account the competitive environment in the 3PLDOMAN in determining the salary structure.



Mr Rohan Ladduwahetty

Chairman

24th August 2023



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHRISSWORLD PLC

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2023, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard.

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 ethical requirements of the code of ethics issued by CA Sri Lanka (code of ethics) that are relevant to our audit of the financial statements, 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.

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 Standard, and for such internal controls as the management determines are 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, the 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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 5084.



DINITWAY PARTNERS
CHARTERED ACCOUNTANTS
Colombo.
25th August, 2023.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

As at 31st March

For the Year Ended 31st March		2023	2022
	Note	Rs.	Rs.
Revenue	5	308,603,867	355,084,364
Direct Cost		(220,073,179)	(262,428,859)
Gross Profit		88,530,688	92,655,505
Other Income	6	156,861	4,000
Selling and Distribution Expenses		(9,266,292)	(6,520,274)
Administrative Expenses		(64,822,117)	(55,192,789)
Profit from Operations		14,599,140	30,946,442
Finance Income	7.1	5,200,885	1,927,279
Finance Cost	7.2	(3,643,523)	(6,045,193)
Net Finance Income / (Cost)	7	1,557,362	(4,117,914)
Profit Before Tax	8	16,156,502	26,828,528
Tax Expense	9	(3,639,600)	(1,940,062)
Profit for the Year		12,516,902	24,888,466
Other Comprehensive Income			
<i>Items that will Never be Reclassified to Profit or Loss</i>			
Remeasurement of Employee Benefits - Actuarial Gain / (Loss), net of Tax		558,835	(1,018,279)
Total Other Comprehensive Income, net of Tax		558,835	(1,018,279)
Total Comprehensive Income for the Year		13,075,737	23,870,187
Basic and Diluted Earnings Per Share	10	0.42	0.83

The Notes annexed form an integral part of these Financial Statements.
 Figures in brackets indicate deductions.

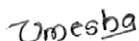
STATEMENTS OF FINANCIAL POSITION

As at 31st March

	Note	2023 Rs.	2022 Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	12	30,633,681	17,889,501
Right-of-use Asset	13	24,455,979	35,269,879
Intangible Assets	14	787,797	962,111
Investment in Unit Trust	15	-	3,336,936
Deferred Tax Asset	16	562,313	238,367
Total Non Current Assets		56,439,770	57,696,794
Current Assets			
Trade and Other Receivables	17	118,333,003	125,932,977
Short Term Investments	18	38,653,174	-
Cash & Cash Equivalents	19.1	1,667,397	30,196,632
Total Current Assets		158,653,574	156,129,609
Total Assets		215,093,344	213,826,403
EQUITY & LIABILITIES			
Equity			
Stated Capital	20	78,750,000	78,750,000
Retained Earnings		29,436,141	22,360,404
Equity attributable to Owners of the Company		108,186,141	101,110,404
Non Current Liabilities			
Employee Benefits	21	4,327,611	3,920,981
Lease Liability	22.2	7,932,470	-
Total Non Current Liabilities		12,260,081	3,920,981
Current Liabilities			
Trade and Other Payables	23	66,828,119	52,352,276
Current Tax Liabilities	24	1,126,348	1,367,082
Interest Bearing Borrowings	25	5,893,774	10,285,869
Lease Liability	22.2	17,939,065	36,655,705
Bank Overdrafts	19.2	2,859,816	8,134,086
Total Current Liabilities		94,647,122	108,795,018
Total Liabilities		106,907,203	112,715,999
Total Equity & Liabilities		215,093,344	213,826,403
Net Assets per Share		3.61	3.37

The Notes annexed form an integral part of these Financial Statements.

It is certified that the Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act, No 07 of 2007.



Mrs. T L A Umesh Sachithrani
 Head of Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board of Directors of Chrissworld PLC;



Mr. C A M Perera
 Chairman



Mr. S A D N Suraj
 Managing Director / Chief Executive Officer

Colombo, 24th August 2023

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March

	Stated Capital Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01st April 2021	22,500,000	890,217	23,390,217
Total Comprehensive Income			
Profit for the year	-	24,888,466	24,888,466
Other Comprehensive Income for the year	-	(1,018,279)	(1,018,279)
Total Comprehensive Income	-	23,870,187	23,870,187
Transactions with Owners of the Company			
<i>Contribution / Distribution</i>			
Issue of Shares (Note 20)	56,250,000	-	56,250,000
IPO Expenses	-	(2,400,000)	(2,400,000)
Total Transactions with Owners of the Company	56,250,000	(2,400,000)	53,850,000
Balance as at 31st March 2022	78,750,000	22,360,404	101,110,404
Balance as at 01st April 2022	78,750,000	22,360,404	101,110,404
Total Comprehensive Income			
Profit for the year	-	12,516,902	12,516,902
Other Comprehensive Income for the year	-	558,835	558,835
Total Comprehensive Income	-	13,075,737	13,075,737
Transactions with Owners of the Company			
<i>Contribution / Distribution</i>			
Dividend (Note 11.1)	-	(6,000,000)	(6,000,000)
Total Transactions with Owners of the Company	-	(6,000,000)	(6,000,000)
Balance as at 31st March 2023	78,750,000	29,436,141	108,186,141

The Notes annexed form an integral part of these Financial Statements.
 Figures in brackets indicate deductions.

STATEMENTS OF CASH FLOWS

For the Year Ended 31st March

	Note	2023 Rs.	2022 Rs.
Cash flows from Operating Activities			
Profit Before Tax		16,156,502	26,828,528
Adjustment For :			
Depreciation of Property, Plant and Equipment	8	5,261,319	3,397,815
Depreciation of Right of Use Assets	8	12,907,638	23,132,098
Amortization of Intangible Assets	8	230,857	166,685
Provision for Employee Benefits	21.1	1,202,727	823,259
Finance Costs		3,524,250	5,983,876
Interest Income		(5,199,228)	(1,740,910)
		17,927,563	31,762,823
Operating Profit before Working Capital Changes		34,084,065	58,591,351
Working Capital Changes in			
Trade and Other Receivables		7,599,974	(21,404,790)
Amount Due to Related Party		-	(9,633,785)
Trade and Other Payables		14,475,843	6,570,667
		22,075,817	(24,467,908)
Cash Generated from Operations		56,159,882	34,123,443
Interest Paid		(1,808,494)	(2,014,091)
Employee Benefits Paid	21	-	(332,250)
Tax Paid	24	(4,441,542)	(2,795,454)
		(6,250,036)	(5,141,795)
Net Cash Generated from Operating Activities		49,909,846	28,981,648
Cash flows from Investing Activities			
Interest Received		5,199,228	1,740,910
Proceeds from Sale Investment in Unit Trusts		3,336,936	-
Investment in Fixed Deposits		(38,653,174)	-
Investment in Unit Trusts		-	(181,678)
Acquisition of Property, Plant and Equipment	12.2	(18,005,499)	(12,822,624)
Acquisition of Intangible Assets	14	(56,543)	(750,076)
Net Cash Flows Used in Investing Activities		(48,179,052)	(12,013,468)
Cash Flows from Financing Activities			
Short Term Loans repaid during the year	25.1	(4,392,095)	(3,969,199)
Payment for Lease Liability		(14,593,664)	(25,716,057)
Issue of Shares		-	56,250,000
IPO Expenses		-	(2,400,000)
Dividend Paid		(6,000,000)	-
Net Cash Flows Generated from / (Used in) Financing Activities		(24,985,759)	24,164,744
Net Increase / (Decrease) in Cash & Cash Equivalents		(23,254,965)	41,132,924
Net Cash & Cash Equivalents at the beginning of the year		22,062,546	(19,070,378)
Net Cash & Cash Equivalents at the end of the year	19	(1,192,419)	22,062,546
Analysis of Cash & Cash Equivalents at the end of the year			
Cash & Cash Equivalents	19.1	1,667,397	30,196,632
Bank Overdrafts	19.2	(2,859,816)	(8,134,086)
		(1,192,419)	22,062,546

The Notes annexed form an integral part of these Financial Statements.
 Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

1. REPORTING ENTITY

1.1 Domicile & Legal Form

Chrissworld PLC (“the Company”) is a Quoted Public Limited Liability Company incorporated and domiciled in Sri Lanka under the provision of Companies Act, No. 07 of 2007 and listed on the Colombo Stock Exchange during 2022. The registered office of the Company and the principal place of business is situated in No. 199/29, Obeysekera Crescent, Rajagiriya.

The Company has changed its status to a Public Company with

effect from 23rd January 2020. The Ordinary Shares of the Company were listed in Colombo Stock Exchange on 18th May 2021.

1.2 Principal Activities and Nature of Operations

The principal activity of the Company is providing Warehouse Management and other logistics. There were no significant changes in the nature of principal activities of the Company during the financial year under review.

The number of employees at the end of the year was 25 (2022 – 24).

1.3 Ultimate Holding Company

The Company is a quoted public Company with 73% of the Share Capital held by Chrisslogix (Pvt) Limited

1.4 Financial Year

The Company’s financial year ends on 31st March.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (referred “SLFRS/LKAS”) as laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act, No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange (CSE). These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

These SLFRSs and LKASs are available at the website of CA Sri Lanka – www.casrilanka.com.

These Financial Statements include the following components:

- ⊗ Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Company for the year under review.
- ⊗ Statement of Financial Position providing the information on the financial position of the Company as at the year-end.
- ⊗ Statement of Changes in Equity depicting all changes in shareholders’ funds during the year under review of the Company.
- ⊗ Statement of Cash Flows providing the information to the users, on the ability of the Company to generate cash and cash equivalents and utilization of those cash flows.
- ⊗ Notes to the Financial Statements comprising Accounting

Policies and other explanatory information.

2.2 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company as per the provisions of the Companies Act, No. 07 of 2007 and Sri Lanka Accounting Standards (SLFRSs/ LKASs).

The Board of Directors acknowledges this responsibility as set out in the Report of the Directors under “Directors’ Responsibility for Financial Statements”.

2.3 Approval of Financial statements

The Financial Statements of the Company for the year ended 31st

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

March 2023 were approved and authorised for issue by the Board of Directors on 24th August 2023.

2.4 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements.

2.5 Functional and Presentation Currency

The Company's Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency and no level of rounding have been used in presenting amounts in the Financial Statements, otherwise indicated.

2.6 Materiality and

Aggregation

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

2.7 Use of Judgments and Estimates

The preparation of the Financial Statements in conformity with LKAS / SLFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions

to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.8 Going Concern

The Directors have made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future and do not foresee a need for liquidation or cessation of trading. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements of the Company continue to be prepared on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies as set out below have been applied consistently to all periods presented in these Financial Statements of the Company unless otherwise indicated.

3.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency applying exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies

are translated at the closing rate of the functional currency prevailing at the reporting date. Foreign currency differences are generally recognised in profit or loss.

Statement of Financial Position

3.2 Current Versus non-current Classification

The Company presents Assets and Liabilities in Statement of Financial Position based on current / non-current classification.

An asset as current when it is:

- ⊗ Expected to be realized or

intended to sell or consume in normal operating cycle

- ⊗ Held primarily for the purpose of trading
- ⊗ Expected to be realized within twelve months after the reporting period, or
- ⊗ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

A liability is current when:

- ☉ It is expected to be settled in normal operating cycle
- ☉ It is held primarily for the purpose of trading
- ☉ It is due to be settled within twelve months after the reporting period, or
- ☉ It does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Employee Benefit and Lease Liability not payable within 12 months are classified as non-current liabilities.

3.3 Financial Instruments

3.3.1 Recognition and Initial Measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.3.2 Classification and Subsequent Measurement

On initial recognition, financial assets are classified as Amortised Cost, FVOCI – Debt Investment, FVOCI – Equity Investment or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- ☉ it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ☉ its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset measured at amortised cost comprises Trade and Other Receivables, Short Term Investments and Cash and Cash Equivalents.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets – Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- ☉ the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- ☉ how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

business model (and the financial assets held within that business model) and how those risks are managed;

- ⊗ how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- ⊗ the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial Assets – Assessment whether Contractual Cash Flows for Solely Payments of Principal and Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a

profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- ⊗ contingent events that would change the amount or timing of cash flows;
- ⊗ terms that may adjust the contractual coupon rate, including variable-rate features;
- ⊗ prepayment and extension features; and
- ⊗ terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially

represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial Assets – Subsequent Measurement and Gains and Losses

Financial Assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial Assets at Amortised Cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3.3.3. Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Company changes its objective of the business model for managing such financial assets.

Financial Liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

3.3.4 Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in

profit or loss.

3.3.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.4 Impairment

3.4.1 Non-Derivative Financial Assets

Financial Instruments

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default

events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

Credit-Impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- ⊗ significant financial difficulty of the debtor;
- ⊗ adverse changes in the payment status of the debtor;
- ⊗ it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Financial Assets Measured at Amortized Cost

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

3.4.2 Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.5 Stated Capital

Ordinary Shares

Ordinary shares are classified as equity. Costs attributable to the issue of ordinary shares are recognized as an expense.

3.6 Property, Plant & Equipment

Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be measured reliably.

a) Cost

All Property, Plant and Equipment are initially recorded at cost and stated at historical cost less depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Expenditure incurred to replace a component of an item of Property, Plant and Equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only if it is probable that the future economic benefits

embodied in the item of Property, Plant and Equipment will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in the profit or loss as incurred.

b) Depreciation

Depreciation is calculated to systematically reduce the cost of items of Property, Plant and Equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The Company provides depreciation from the date the assets are available for use whereas depreciation of asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized, at the following rates on a straight line basis over the periods appropriate to the estimated useful lives of the different types of assets. The estimated useful life of asset is as follows:

Furniture & Fittings	20%
Office Equipment	20%
Computer Equipment	20%
Motor Vehicle	20%
Racking System	15%

All assets carrying amounts are written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation methods, useful lives

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and residual values are reviewed at each reporting date and adjusted if appropriate.

c) Derecognition

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

d) Capital Work-In-Progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as Capital Work-In-Progress, whilst the capital assets which have been completed during the year and put to use have been transferred to Property, Plant & Equipment.

3.7 Intangible Assets

a) Cost

Intangible assets wholly consists of cost of computer software acquired by the Company and have finite useful life. Intangible assets are measured at cost less accumulated amortization and impairment losses.

b) Subsequent Expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other

expenditure is expensed as incurred.

c) Amortization

Intangible assets are amortized on a straight-line basis in the profit or loss from the date when the assets available for use, over the best estimate of its useful economic life. The estimated useful life of software is five years.

3.8 Capital Commitments

Capital commitments of the Company are disclosed in the Note 27 to the Financial Statements.

3.9 Employee Benefits

3.9.1 Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.9.2 Defined Benefit Plan- Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company is liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983. Under the said Act, the liability to an employee arises only on completion of 5 years of continued service.

The liability recognized in the Financial Statements in respect of defined benefit plans is the

present value of the defined benefit obligation as at the reporting date.

The defined benefit obligation is calculated using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefit expense in profit or loss.

3.9.3 Defined Contribution Plans- Employees Provident Fund & Employees Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

All the employees who are eligible for Employees "Provident Fund and Employees Trust Fund" are covered by relevant contribution funds in line with the respective statutes. Employer's contribution to the defined contribution plans are recognized as an expense in the profit or loss when incurred.

The Company contributes 12% and 3% of the salary of each employee to the Employees' Provident Fund and Employees' Trust Fund respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

3.10 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

3.12 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- ☉ the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- ☉ the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either: the Company has the right to operate the asset; or
- ☉ the Company designed the asset in a way that predetermines how and for what purpose it will be used.

As a Lessee

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components

and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- ☉ fixed payments, including in-substance fixed payments.
- ☉ the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the Company's assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents Right-of-use Assets in 'Right-of-use Asset' and Lease Liabilities in 'Lease Liability' in the Statement of Financial Position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies SLFRS 15 to allocate the consideration in the contract.

Statement of Profit or Loss and Other Comprehensive Income

3.13 Revenue

From contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

SLFRS 15 established a comprehensive framework for determining whether, how much and when to recognize revenue. Revenue is measured based on the consideration specified in a contract with a customer. Under SLFRS 15, the Company revenue is recognized when a customer obtains control of the goods or services. Standard also gives guidelines for determining the timing of the transfer of control ie: at a point in time or over time requires judgement.

The Company recognizes revenue from services over time, measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

3.14 Other Income

All other income is recognized on an accrual basis.

3.15 Expenditure Recognition

Expenses are recognized in the Profit or Loss on the basis of a direct association between the cost incurred and the earnings of specific items of income.

All expenditure incurred in running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency is charged to profit or loss in arriving at the Profit / (Loss) for the year.

Expenditure incurred for the purpose of acquiring, extending or improving assets of permanent nature by means of which to carry on the business or for the purpose of increasing earning capacity of the business has been treated as capital expenditure.

3.15.1 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the specific asset.

3.16 Finance Income and Finance Costs

Finance income comprises interest income on funds invested and dividend income. Interest income is recognized as it accrues in

profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on borrowings, and overdraft interest expenses. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.17 Income Tax Expense

Income Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted them under LKAS 37 Provisions, contingent liabilities and contingent assets.

3.17.1 Current Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years, also reflecting uncertainty related to income taxes, if any. Current tax payable also includes any tax liability arising from the declaration of dividends.

The Company is liable to taxation in accordance with the Inland Revenue Act, No. 24 of 2017 and subsequent amendments there to.

3.17.2 Deferred Taxation

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized, based on the level of future taxable profit forecasts and tax planning strategies.

3.18 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Number of Company's accounting policies and disclosures require the determination of fair value, for both financial and nonfinancial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed

in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows;

- ☉ Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities
- ☉ Level 2 - Inputs other than quoted prices included in Level 1 that are observable from the asset or liability either directly (as prices) or indirectly (derived prices)
- ☉ Level 3 - Inputs from the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3.19 Events after the Reporting Period

All material and important events if any which occur after the reporting date have been considered and disclosed in Note 30 to the Financial Statements.

3.20 Cash Flow Statement

The Statement of Cash Flows has been prepared by using the 'Indirect Method' of preparing cash flows in accordance with Sri Lanka Accounting Standard- LKAS 7 on 'Statement of Cash Flows'.

3.26 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of cash at bank, cash in hand and fixed deposits with maturities of three months or less from the acquisition date and are used by the Company in the management of its short-term commitments. Bank overdrafts that are repayable on demand and forming an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.27 Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

3.28 Dividends on Ordinary Shares

Final dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards which will become applicable for financial periods beginning after the current financial year. Accordingly, the Company has not applied the following new or amended standards in preparing these Financial Statements. The following amended standards and interpretations are not expected to have a significant impact on the Company's Financial Statements.

- ⊗ Deferred Tax related to Tax and Liabilities Arising from a single Transactions (Amendments to LKAS 12).
- ⊗ Classification of Liabilities as Current or Non-Current (Amendments to LKAS 1).
- ⊗ Disclosure of Accounting Policies (Amendments to LKAS 1 and LKAS Practice Statement 2).
- ⊗ Definition of Accounting Estimates (Amendments to LKAS 8).

5 REVENUE

	2023	2022
	Rs.	Rs.
Warehouse Management Income	202,453,148	238,641,443
Handling Fee	28,360,804	85,808,069
Transport Income	32,751,758	23,560,751
VAS Operation Income	39,831,527	4,749,911
Overtime Fee Income	1,781,637	-
Other Sales Income	1,643,039	1,743,925
Project Income	1,338,985	-
Brokering Income on freight	442,969	545,425
Delivery Income	-	34,840
	308,603,867	355,084,364

6 OTHER INCOME

	2023	2022
	Rs.	Rs.
Sundry Income	156,861	4,000
	156,861	4,000

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

7 NET FINANCE INCOME / (COST)

	2023	2022
	Rs.	Rs.
7.1 Finance Income		
Interest Income	5,199,228	1,714,016
Interest Income - Intercompany Loan	-	26,894
Fair Value Gain on Unit Trust Investment	-	181,678
Net Foreign Exchange Gain	1,657	4,691
	5,200,885	1,927,279
7.2 Finance Cost		
Interest Expense on Borrowings	(617,106)	(1,738,567)
Interest Expense on Bank Overdrafts	(433,760)	(275,524)
Interest Cost on Lease Liability (Note 22.1)	(2,473,384)	(3,969,785)
Bank Charges & Surcharges	(119,273)	(61,317)
	(3,643,523)	(6,045,193)
Net Finance Income / (Cost)	1,557,362	(4,117,914)

8 PROFIT BEFORE TAX

Profit before tax is stated after charging all the expenses / (reversal) including followings;

	2023	2022
	Rs.	Rs.
Auditors' Remuneration - Audit Services	240,000	210,000
Staff Cost (Note 8.1)	25,987,171	22,365,987
Depreciation of Property, Plant and Equipment (Note 12)	5,261,319	3,397,815
Depreciation of Right of Use Asset (Note 13)	12,907,638	23,132,098
Amortization of Intangible Assets (Note 14)	230,857	166,685
8.1 Staff Cost		
Salaries, Wages and Other Benefits	21,733,976	19,084,525
Defined Contribution Plans - EPF	2,439,887	1,966,562
Defined Contribution Plans - ETF	610,581	491,641
Defined Benefit Plans (Note 21.1)	1,202,727	823,259
	25,987,171	22,365,987

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

9 TAX EXPENSE

The Company is liable to taxation in accordance with the Inland Revenue Act, No. 24 of 2017 and subsequent amendments there to.

	2023	2022
	Rs.	Rs.
9.1 Tax Expense		
Income Tax on Profits for the year (Note 9.2)	4,200,808	2,112,582
Deferred Tax Reversal (Note 9.3)	(561,208)	(172,520)
	3,639,600	1,940,062
9.2 Reconciliation of the Accounting Profit and Taxable Profit		
Profit Before Tax	16,156,502	26,828,528
Income from Other Sources and Exempt Income	(5,199,228)	(1,714,016)
Aggregated Expenses Disallowed for Taxation	23,154,027	31,769,128
Aggregated Deductible Expenses for Taxation	(21,538,809)	(33,251,924)
Assessable Income from Business	12,572,492	23,631,716
Assessable Income from Investment	5,199,228	1,714,016
Taxable Income	17,771,720	25,345,732
Taxation		
Income Tax at 14%	880,074	1,906,900
Income Tax at 24%	499,634	205,682
Income Tax at 30%	2,821,100	-
Income Tax on Profits for the year	4,200,808	2,112,582
9.3 Deferred Tax Reversal Recognized in Comprehensive Income		
Statement of Profit or Loss (Note 16)	561,208	172,520
Other Comprehensive Income (Note 16)	(237,262)	-
	323,946	172,520
9.4 Effective Tax Rate		
Effective Tax Rate Excluding Deferred Tax (Note 9.5)	26.00%	7.87%
Effective Tax Rate Including Deferred Tax (Note 9.5)	22.53%	7.23%

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

	2023		2022	
	Rate	Rs.	Rate	Rs.
9.5 Reconciliation of Effective Tax Rate				
Profit Before Tax		16,156,502		26,828,528
Income Tax Expense at the Average Statutory Income Tax Rate	23.64%	3,819,009	8.34%	2,236,174
Disallowed Expenses	33.88%	5,473,056	9.87%	2,647,976
Deductible Expenses	-31.51%	(5,091,257)	-10.33%	(2,771,568)
Effective Tax Rate Excluding Deferred Tax	26.00%	4,200,808	7.87%	2,112,582
Temporary Differences	-3.47%	(561,208)	-0.64%	(172,520)
Effective Tax Rate Including Deferred Tax	22.53%	3,639,600	7.23%	1,940,062

10 EARNINGS PER SHARE

10.1 Basic Earnings per Share

Basic Earnings Per Share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding.

For the Year Ended 31st March	2023	2022
Profit Attributable to Ordinary Shareholders (Rs.)	12,516,902	24,888,466
Weighted Average Number of Ordinary Shares	30,000,000	30,000,000
Basic and Diluted Earnings per Share (Rs.)	0.42	0.83

10.2 Diluted Earnings per Share

The calculation of diluted earning per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effect of all diluted ordinary shares.

There were no potentially dilutive ordinary shares outstanding at any time during the year and previous year. Therefore, Diluted Earnings per Share is same as Basic Earnings per share shown above.

11 DIVIDEND PER SHARE

The following dividend was proposed by the Board of Directors and approved by the shareholders during the Annual General Meeting.

For the Year Ended 31st March	2023	2022
Dividend for the Year (Rs.)	-	6,000,000
Weighted Average Number of Ordinary Shares	-	30,000,000
Dividend per Share (Rs.)	-	0.20

11.1 2021/22 Company has declared a first and final Dividend amount of Rs. 6,000,000/- was paid during 2022/23.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

12 PROPERTY, PLANT & EQUIPMENT

	Cost				Accumulated Depreciation				Carrying Value	
	For the Year Ended 31st March 2023		As at 01st April 2022		As at 31st March 2023		As at 01st April 2022		As at 31st March 2023	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Furniture & Fittings	7,005,658	1,654,035	-	8,659,693	3,255,511	1,328,378	-	4,583,889	4,075,804	
Office Equipment	5,020,381	893,568	-	5,913,949	2,446,557	937,837	-	3,384,394	2,529,555	
Computer	3,093,088	1,651,858	-	4,744,946	1,073,425	681,429	-	1,754,854	2,990,092	
Motor Vehicle	180,000	-	-	180,000	78,000	36,000	-	114,000	66,000	
Machinery	6,863,130	2,649,360	-	9,512,490	609,263	1,782,675	-	2,391,938	7,120,552	
Racking System	3,300,000	-	-	3,300,000	110,000	495,000	-	605,000	2,695,000	
	25,462,257	6,848,821	-	32,311,078	7,572,756	5,261,319	-	12,834,075	19,477,003	
Capital Work In Progress - Racking System	-	11,156,678	-	11,156,678	-	-	-	-	11,156,678	
	25,462,257	18,005,499	-	43,467,756	7,572,756	5,261,319	-	12,834,075	30,633,681	
	Cost				Accumulated Depreciation				Carrying Value	
	For the Year Ended 31st March 2022		As at 01st April 2021		As at 31st March 2022		As at 01st April 2021		As at 31st March 2022	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Furniture & Fittings	6,097,523	908,135	-	7,005,658	1,967,643	1,287,868	-	3,255,511	3,750,147	
Office Equipment	3,784,319	1,236,062	-	5,020,381	1,611,148	835,409	-	2,446,557	2,573,824	
Computer	2,435,291	657,797	-	3,093,088	548,150	525,275	-	1,073,425	2,019,663	
Motor Vehicle	180,000	-	-	180,000	42,000	36,000	-	78,000	102,000	
Machinery	142,500	6,720,630	-	6,863,130	6,000	603,263	-	609,263	6,253,867	
Racking System	-	3,300,000	-	3,300,000	-	110,000	-	110,000	3,190,000	
	12,639,633	12,822,624	-	25,462,257	4,174,941	3,397,815	-	7,572,756	17,889,501	
Capital Work In Progress	-	-	-	-	-	-	-	-	-	
	12,639,633	12,822,624	-	25,462,257	4,174,941	3,397,815	-	7,572,756	17,889,501	

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

- 12.1** Property, Plant & Equipment included fully depreciated assets that are still in use having a gross amount of Rs. 2,965,303/- (2021/22 - Rs. 114,999/-).
- 12.2** During the financial year, the Company purchased Property, Plant and Equipment including Capital Work in Progress to the aggregate value of Rs. 18,005,499/- for cash.
- 12.3** There is no permanent fall in the value of Property, Plant and Equipment which require a provision for impairment.
- 12.4** There were no restrictions existed on the title to the Property, Plant and Equipment of the Company as at the reporting date.
- 12.5** There were no capitalized borrowing costs related to the acquisition of Property, Plant and Equipment during the year (2021/22 - Nil).

13 RIGHT-OF-USE ASSETS

Carrying amounts of Right-of-use Assets.

As At 31st March	2023 Rs.	2022 Rs.
Cost		
Balance at beginning of the year	58,401,977	-
Initial Application of SLFRS 16	-	35,593,129
Additions	21,266,506	22,808,848
Lease Modification	(19,172,768)	-
Balance at end of the year	60,495,715	58,401,977
Accumulated Depreciation		
Balance at beginning of the year	23,132,098	-
Charge for the year	12,907,638	23,132,098
Balance at end of the year	36,039,736	23,132,098
Carrying Value as at 31st March	24,455,979	35,269,879

- 13.1** The lease liability and right of use assets were remeasured due to revisions in the future lease payments for some lease contracts.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

14 INTANGIBLE ASSETS

	2023	2022
	Rs.	Rs.
Cost		
Balance at beginning of the year	1,176,796	426,720
Additions	56,543	750,076
Balance at end of the year	1,233,339	1,176,796
Accumulated Amortization		
Balance at beginning of the year	214,685	48,000
Charge for the year	230,857	166,685
Balance at end of the year	445,542	214,685
Carrying Value as at 31st March	787,797	962,111

- 14.1** Intangible Assets included fully amortized assets that are still in use having a gross amount of Rs. 60,000 as at 31st March 2023 (2021/22 -Nil).

15 Investment in Unit Trust

	2023	2022
	Rs.	Rs.
Guardian Aquity Money Market Fund	-	3,336,936
	-	3,336,936

16 DEFERRED TAX ASSETS / (LIABILITIES)

	2023	2022
	Rs.	Rs.
Balance at the beginning of the year	238,367	65,847
Recognised in Profit or Loss (Note 16.1)	561,208	172,520
Recognised in Other Comprehensive Income	(237,262)	-
Balance at the end of the Year	562,313	238,367
16.1 Recognised in Profit or Loss		
Net Deferred Tax Charge Due to Tax Rate Change	272,419	-
Origination and Reversal of Temporary Differences	288,789	172,520
	561,208	172,520

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

16.2 Deferred Tax Assets and Liabilities are attributable to the following;

As At 31st March	Net Asset / (Liability)	
	2023	2022
	Rs.	Rs.
Property, Plant and Equipment / Intangible Assets	(1,162,743)	(310,570)
Employee Benefits	1,300,389	548,937
Right-of-Use Asset / Lease Liability	424,667	-
Net Deferred Tax Asset / (Liability)	562,313	238,367

The Company has recognized Deferred Tax Asset / Liability by utilizing the temporary differences between the carrying amount of Assets and Liabilities for financial reporting purposes and the amount used for taxation purposes at the rate of 30%

As per the Inland Revenue (Amendment) Act, No. 45 of 2022, the Company income tax rate has been increased to 30%. Accordingly, deferred tax asset and liability have been computed based on 30% and Rs. 272,419 have been credited to Profit or Loss as a result to the remeasurement of deferred tax asset and liability of the Company.

17 TRADE AND OTHER RECEIVABLES

	2023	2022
	Rs.	Rs.
Trade Debtors	66,339,421	75,211,856
Warehouse Rent Deposits	24,467,608	33,472,820
Receivables from Related Parties (Note 17.1)	25,064,080	9,333,648
WHT Receivable	-	982,541
Staff Loan	266,250	380,000
Prepayments	1,940,265	6,490,822
Other Receivables	255,379	61,290
	118,333,003	125,932,977
17.1 Receivables from Related Parties		
Chrisslogix (Pvt) Ltd	20,998,521	4,100,449
Chrissleisure (Pvt) Ltd	4,065,559	5,233,199
	25,064,080	9,333,648

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

18 Short Term Investments

	2023 Rs.	2022 Rs.
Investment in Fixed Deposits (Note 18.1)	38,653,174	-
	38,653,174	-
18.1 Investment in Fixed Deposits		
LB Finance PLC	26,653,174	-
Sampath Bank PLC	7,000,000	-
NTB Bank	5,000,000	-
	38,653,174	-

19 CASH & CASH EQUIVALENTS

	2023 Rs.	2022 Rs.
19.1 Favorable Balances		
Cash in Hand	552,586	111,825
Cash at Banks	1,114,811	30,084,807
	1,667,397	30,196,632
19.2 Unfavorable Balances		
Bank Overdrafts	(2,859,816)	(8,134,086)
	(2,859,816)	(8,134,086)
Cash & Cash Equivalents for the purpose of Cash Flow Statement	(1,192,419)	22,062,546

20 Stated Capital

	2023		2022	
	No of Shares	Value of Shares Rs.	No of Shares	Value of Shares Rs.
Balance at the beginning of the year	30,000,000	78,750,000	22,500,000	22,500,000
Issue of shares	-	-	7,500,000	56,250,000
Balance at the end of the year	30,000,000	78,750,000	30,000,000	78,750,000

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

- 20.1** The Company's stated capital consist with fully paid ordinary shares which provides entitlement to its holders to receive dividends as declared from time to time and to vote per share at a meeting of the Company.
- 20.2** The Ordinary Shares of the Company were listed in Colombo Stock Exchange (CSE) on 18th May 2021.

21 EMPLOYEE BENEFITS

As At 31st March	2023	2022
	Rs.	Rs.
Balance at the beginning of the year	3,920,981	2,411,693
Expenses recognised in Profit or Loss (Note 21.1)	1,202,727	823,259
Expenses recognised in Other Comprehensive Income (Note 21.2)	(796,097)	1,018,279
Payments during the year	-	(332,250)
Balance at the end of the year	4,327,611	3,920,981

The liability is not externally funded.

For the Year Ended 31st March	2023	2022
	Rs.	Rs.
21.1 Expenses Recognised in Profit or Loss		
Current Service Cost	698,841	605,142
Interest Cost	503,886	218,117
	1,202,727	823,259
21.2 Expenses Recognised in Other Comprehensive Income		
Actuarial (Gains) / Losses	(796,097)	1,018,279
	(796,097)	1,018,279

21.3 Actuarial Assumptions

The principal actuarial assumptions used in determining the cost are given below;

As At 31st March	2023	2022
Discount Rate	14%	12%
Expected Annual Average Salary Increment	10%	10%
Staff Turnover Factor	16%	18.18%
Retiring Age	60 Years	60 Years

- 27.3.1** The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. In the absence of a deep market in long term corporate bonds in Sri Lanka, the discount rate has been derived, and approximation of a long term interest rate of a 14% p.a. (2021/22 - 12% p.a) has been used to discount future liabilities. All assumptions are reviewed at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

21.4 Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and the expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes in the respective assumption that may occur at the end of the reporting period.

As At / For the Year Ended 31st March	2023		2022	
	PVODBO	Benefit / (Expense)	PVODBO	Benefit / (Expense)
	Rs.	Rs.	Rs.	Rs.
1% Increase in Discount Rate	4,182,088	145,523	3,800,691	120,290
1% Decrease in Discount Rate	4,482,245	(154,634)	4,048,235	(127,254)
1% Increase in Salary Increment Rate	4,486,557	(158,946)	4,049,415	(128,434)
1% Decrease in Salary Increment Rate	4,175,621	151,990	3,797,474	123,507

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Statement of Financial Position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

21.5 Maturity Profile of the Defined Benefit Obligation

As At 31st March	2023 Rs.	2022 Rs.
Expected Future Working Life		
Between One to Five Years	84,544	83,515
Between Five to Ten Years	4,243,067	3,837,466
	4,327,611	3,920,981
Weighted Average duration of Defined Benefit Obligation	6.1 Years	5.1 Years

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

22 LEASE LIABILITY

The Company's Leasing Activities

The Company occupies lease hold properties to carry out warehouse operations.

As At 31st March	2023	2022
	Rs.	Rs.
Balance as at 01st April	36,655,705	-
Initial Application of SLFRS 16	-	35,593,129
Additions	21,266,506	22,808,848
Lease Modification (Note 22.2)	(19,172,768)	-
Interest Expense Recognised in Profit or Loss	2,473,384	3,969,785
Payment for Lease Liability	(15,351,292)	(25,716,057)
Balance as at 31st March	25,871,535	36,655,705

22.1 The lease liability and right of use assets were remeasured due to revisions in the future lease payments for some lease contracts.

22.2 Lease Liabilities included in the Statement of Financial Position

	2023	2022
	Rs.	Rs.
Non-current	7,932,470	-
Current	17,939,065	36,655,705
	25,871,535	36,655,705

22.3 Amounts recognised in Profit or Loss

For the Year Ended 31st March	2023	2022
	Rs.	Rs.
Interest on Lease Liabilities	2,473,384	3,969,785
Recognised in Finance Cost	2,473,384	3,969,785
Expenses Relating to Short-term and low-value Assets	103,684,128	145,155,349
Depreciation - Right-of-use Assets	12,907,638	23,132,098
Recognised in Direct Cost	116,591,766	168,287,447
Total Amount recognised in Profit or Loss	119,065,150	172,257,232

22.4 Amounts Recognised in Statement of Cash Flows

Payment for Lease Liabilities	15,351,292	25,716,057
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NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

22.5 Maturity Analysis – Contractual Undiscounted Cash Fows

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

	2022/23	2021/22
	Rs.	Rs.
Less than one year	17,939,064	38,988,142
One to five years	10,464,454	-
Total Undiscounted Lease Liabilities	28,403,518	38,988,142

23 TRADE AND OTHER PAYABLES

As At 31st March	2023	2022
	Rs.	Rs.
Trade Payables	37,927,878	27,485,561
Accrued Expenses	13,450,057	16,151,464
WHT Payable	2,269,580	1,691,761
EPF Payable	338,870	262,710
ETF Payable	50,831	81,663
Audit Fee Payable	240,000	180,000
Salary & Wages Payable	-	1,523,623
Advances Received	8,333,333	-
SIM card Deposit	13,000	13,000
Unidentified Deposits	-	757,924
Rent Deposit Payable	4,204,570	4,204,570
	66,828,119	52,352,276

24 CURRENT TAX LIABILITIES

	2023	2022
	Rs.	Rs.
Balance at the beginning of the year	1,367,082	2,049,954
Income Tax Liability for the year (Note 9.2)	4,200,808	2,112,582
Tax Paid during the year	(4,441,542)	(2,795,454)
Balance at the end of the year	1,126,348	1,367,082

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

25 INTEREST BEARING BORROWINGS

	2022/23	2021/22
	Rs.	Rs.
Interest Bearing Borrowings (Note 25.1)	5,893,774	10,285,869
	5,893,774	10,285,869

25.1 Movement of Interest Bearing Borrowings

For the Year Ended 31st March 2023

Lender	As at 01st April 2022	Obtained During the Year	Repayments During the Year	As at 31st March 2023
	Rs.	Rs.	Rs.	Rs.
Sampath Bank Rs. 10 Million Loan	4,343,339	-	(2,312,453)	2,030,886
Sampath bank Rs. 6.5 Million loan	4,799,530	-	(1,167,642)	3,631,888
Sampath Bank Rs. 2.4 Million Loan	1,143,000	-	(912,000)	231,000
	10,285,869	-	(4,392,095)	5,893,774

For the Year Ended 31st March 2022

Lender	As at 01st April 2021	Obtained During the Year	Repayments During the Year	As at 31st March 2022
	Rs.	Rs.	Rs.	Rs.
Sampath Bank Rs. 10 Million Loan	6,394,629	-	(2,051,290)	4,343,339
Sampath bank Rs. 6.5 Million loan	5,860,939	-	(1,061,409)	4,799,530
Sampath Bank Rs. 2.4 Million Loan	1,999,500	-	(856,500)	1,143,000
	14,255,068	-	(3,969,199)	10,285,869

26 RELATED PARTY DISCLOSURE

Related Party Transactions

The Company carries out transactions with parties who are defined as related parties by LKAS 24 "Related Party disclosures", the details of which are reported below. The transactions were carried out in the ordinary course of the business and arms length in nature.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

26.1 Recurrent Related Party Transactions

Name of the Company	Names of Directors	Nature of Interest	Nature of the Transaction	2023	2022
				Rs.	Rs.
Chrisslogix (Pvt) Ltd	Mr. C A M Perera	Parent Company	Receivable as at 01st April 2022	8,123,088	66,722
	Mr. S A D N Suraj		Services Provided / (Received)	(8,449,078)	8,056,366
	Mr. S Wickramasekera		Shared Services	2,400,000	2,400,000
	Mr. P M L Nonis		Administration & Management Fee	10,800,000	10,800,000
			Business Development and Marketing Expenses	4,800,000	4,800,000
			Warehouse Income	-	183,750,420
			Cash Payments	(18,000,000)	(201,750,420)
			Receivable / (Payable) as at 31st March 2023	(325,990)	8,123,088
			Credit Facility given - Corporate Guarantee	-	5,000,000
Aggregate Value of Related Party Transactions During the Year			Services Provided / (Received)	9,550,922	26,056,366
			Warehouse Income	-	183,750,420
Aggregate Value of Related Party Transactions as a % of Net Revenue			Services Provided / (Received)	2.69%	9.86%
			Warehouse Income	-	69.56%
Chrissleisure (Pvt) Ltd	Mr. C A M Perera	Common Directors	Balance as at 01st April 2022	2,357,962	-
	Mr. S A D N Suraj		Services Provided	744,541	2,357,962
	Mr. S Wickramasekera		Balance as at 31st March 2023	3,102,503	2,357,962
	Mr. H D Kodagoda		Services Provided	744,541	2,357,962
Aggregate Value of Related Party Transactions During the Year			Services Provided	744,541	2,357,962
Aggregate Value of Related Party Transactions as a % of Net Revenue			Services Provided	0.21%	0.89%

Above outstanding balances are recorded under Trade & Other Receivables or Trade & Other Payables in the Financial Statements.

26.2 Non-Recurrent Related Party Transactions

Name of the Company	Names of Directors	Nature of Interest	Nature of the Transaction	2023		2022	
				Rs.	Rs.	Rs.	Rs.
Chrisslogix (Pvt) Ltd	Mr. C A M Perera	Parent Company	Balance as at 01st April 2022	5,357,449		5,357,449	
	Mr. S A D N Suraj		Loans Given	17,810,071		-	
	Mr. S Wickramasekera						
	Mr. P M L Nonis		Balance as at 31st March 2023	23,167,520		5,357,449	
Chrissleisure (Pvt) Ltd	Mr. C A M Perera	Common Directors	Balance as at 01st April 2022	6,933,670		6,933,670	
	Mr. S A D N Suraj		Loans Given	-		-	
	Mr. S Wickramasekera		Repayment of Loans	-		-	
	Mr. H D Kodagoda		Balance as at 31st March 2023	6,933,670		6,933,670	

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

26.3 Non- Recurrent Related party transactions exceeding 10% of the Equity or 5% of the Total Assets of the entity as per latest audited Financial Statements, whichever is lower (CSE Ruling 9.3.2 (a))

Name of th Company	Relationship	Nature of Transaction	Amount Rs.	As a % of Total Assets	As a % of Total Equity
Chrisslogix (Pvt) Ltd	Parent Company	Loans Given	17,810,071	8%	18%

26.4 Terms and conditions of Related Party Transactions

The terms and conditions of the transactions with related entities were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non related entities on an arm's length basis. The loans given to related party are no more favorable than those available for ordinary loan transactions.

26.5 Non Recurrent Related Party Transactions

During the year there was an instance where aggregated non- recurrent related party transactions exceeded the threshold which required the disclosure in Financial Statements as per Section 9 of the Listing Requirements of the Colombo Stock Exchange. Accordingly, the required disclosure is given in note 26.3 to the Financial Statements.

During the year there were no other non-recurrent related party transactions which exceeded the threshold stipulated in section 9 of the listing requirements, other than individual transactions disclosed in the note 26 to the Financial Statements .

26.6 Recurrent Related Party Transactions

During the year there were no recurrent related party transactions that exceeded the thresholds that required the immediate market disclosure or shareholder approval as required under section 9 of the Continuing Listing Requirements of the Colombo Stock Exchange.

26.7 Compensation of Key Management Personnel

According to LKAS 24 "Related Party Disclosures", Key Management Personnel, are those planning, directing and controlling the activities of the entity.

There were no compensation paid to Key Management Personnel during the year other than those disclosed below.

For the Year Ended 31st March	2023 Rs.	2022 Rs.
Key Management Personnel Payments		
a. Short Term Employee Benefits	-	450,000
b. Post-Employment Benefits	-	-
c. Termination Benefits	-	-
d. Share-Based Payments	-	-
	-	450,000

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

26.8 Transactions, Arrangements and Agreements Involving KMP and Their Close Family Members (CFM)

CFM of a KMP are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include;

- (a) the individual's domestic partner and children;
- (b) children of the individual's domestic partner; and
- (c) dependents of the individual or the individual's domestic partner

CFM are related parties to the entity. There were no transactions with CFM during the year.

26.9 Loans to Directors

No loans have been given to the Directors of the Company.

26.10 Terms and Conditions of the Transactions with KMPs

The terms and conditions of the transactions with Key Management Personnel and their related entities were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non Key Management Personnel related entities.

27 CAPITAL COMMITMENTS

There were no material capital expenditure approved by the Board of Directors as at 31st March 2023.

28 CONTINGENT LIABILITIES

There were no material Contingent Liabilities, which require adjustments to or disclosures in the Financial Statements as at 31st March 2023.

29 LITIGATIONS AND CLAIMS

Based on the available information, the Management is of the view that there are no material litigation or claims that could have material impact on the financial position on the Company. Accordingly, no provision has been made for legal claims in the Financial Statements.

30 EVENTS AFTER REPORTING PERIOD

There were no other material events occurring after the reporting period that requires adjustments to or disclosure in the Financial Statements.

31 COMPARATIVE FIGURES

To facilitate comparison relevant balances pertaining to the previous year have been re-classified to confirm to current classification and presentation.

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statement.

As a result, certain line items have been amended in the statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and the related notes to the financial statement. Comparative figures have been adjusted to conform to the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

32 FINANCIAL INSTRUMENTS - FAIR VALUES

32.1 Accounting Classifications and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount						Fair Value				
	Fair Value			Other Financial Assets at Amortised Cost			Level 1	Level 2	Level 3	Total	
	Hedging Instruments	FVTPL	FVOCI - Debt Instruments	FVOCI - Equity Instruments	Financial Assets at Amortised Cost	Other Financial Liabilities					
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
As at 31st March 2023											
Financial Assets not Measured at Fair Value											
Trade Debtors	-	-	-	-	61,302,311	-	61,302,311	-	-	-	-
Receivable from Related Parties	-	-	-	-	30,101,190	-	30,101,190	-	-	-	-
Short Term Investments	-	-	-	-	38,653,174	-	38,653,174	-	-	-	-
Cash & Cash Equivalents	-	-	-	-	1,667,397	-	1,667,397	-	-	-	-
	-	-	-	-	131,724,072	-	131,724,072	-	-	-	-
Financial Liabilities Not Measured at Fair Value											
Trade Payable	-	-	-	-	-	37,927,878	37,927,878	-	-	-	-
Interest Bearing Borrowings	-	-	-	-	-	5,893,774	5,893,774	-	-	-	-
Lease Liabilities	-	-	-	-	-	25,871,535	25,871,535	-	-	-	-
Bank Overdrafts	-	-	-	-	-	2,859,816	2,859,816	-	-	-	-
	-	-	-	-	-	72,553,003	72,553,003	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

	Carrying Amount										Fair Value					
	Fair Value					Other					Total	Level 1	Level 2	Level 3	Total	
	Hedging Instruments	FVTPL	FVOCI - Debt Instruments	FVOCI - Equity Instruments	Financial Assets at Amortised Cost	Financial Liabilities	Other	Total	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets Measured at Fair Value																
Investment in Unit Trust	-	3,336,936	-	-	-	-	3,336,936	3,336,936	-	-	-	3,336,936	-	-	-	3,336,936
	-	3,336,936	-	-	-	-	3,336,936	3,336,936	-	-	-	3,336,936	-	-	-	3,336,936
Financial Assets not measured at Fair Value																
Trade Debtors	-	-	-	-	75,211,856	-	75,211,856	-	-	-	-	-	-	-	-	-
Receivable from Related Parties	-	-	-	-	9,333,648	-	9,333,648	-	-	-	-	-	-	-	-	-
Cash & Cash Equivalents	-	-	-	-	30,196,632	-	30,196,632	-	-	-	-	-	-	-	-	-
	-	-	-	-	114,742,136	-	114,742,136	-	-	-	-	114,742,136	-	-	-	-
Financial Liabilities not measured at Fair Value																
Trade Payable	-	-	-	-	-	27,485,561	27,485,561	-	-	-	-	-	-	-	-	-
Interest Bearing Borrowings	-	-	-	-	-	10,285,869	10,285,869	-	-	-	-	-	-	-	-	-
Lease Liabilities	-	-	-	-	-	36,655,705	36,655,705	-	-	-	-	-	-	-	-	-
Bank Overdrafts	-	-	-	-	-	8,134,086	8,134,086	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	82,561,221	82,561,221	-	-	-	-	82,561,221	-	-	-	-
Transfer between levels																
There were no transfers between Level 1, 2 and 3 during the year.																

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

33 FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks arising from financial instruments;

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

This note presents information about the Company's exposure to each of the above risks, and the Company's objectives, policies and processes of measuring and managing risk.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company places its cash and cash equivalents with a number of creditworthy financial institutions. The Company's policy limits the concentration of financial exposure to any single financial institution. In order to minimize the impact of current economic conditions of the country the Company is proactively engaged in minimizing collection risk. Further the receivable balances were reassessed to forecast the time of settlements. The maximum credit risk exposure of the financial assets of the Company is approximately the carrying amounts as at reporting date.

Exposure to Credit Risk

The net carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows;

As At 31st March	2023	2022
	Rs.	Rs.
Trade Debtors	60,302,311	72,254,385
Receivable from Related Parties	30,101,190	12,291,119
Short Term Investments	38,653,174	-
Cash & Cash Equivalents	1,667,397	30,196,632
Total	131,724,072	114,742,136

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

Cash at Banks

The Company held cash at banks of Rs. 39.77 Mn. as at 31st March 2023 (2021/22: Rs. 30.08 Mn.), which represents its maximum credit exposure on these assets.

Respective credit ratings of banks with Company cash balances held are as follows;

As at 31st March	Credit Rate	Cash at Bank	
		2023	2022
Bank		Rs.	Rs.
Commercial Bank of Ceylon PLC	AA - (lka)	29,445	24,427,645
LB Finance	A - (lka)	26,653,174	-
Sampath Bank	A (lka)	7,248,017	5,657,162
HNB Bank	A (lka)	787,974	-
NTB Bank	A (lka)	5,049,375	-
		39,767,985	30,084,807

Liquidity risk is the risk of facing difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or affecting the Company's reputation.

The Company also monitors the level of expected cash inflows from trade and other receivables together with expected cash outflows on trade and other payables.

The following are the contractual maturities of financial liabilities at its Carrying Value;

As at 31st March 2023	Carrying Amount	Contractual Cash Flows				
		Total	0 - 30 Days	31 - 90 Days	More than 90 Days	
		Rs.	Rs.	Rs.	Rs.	Rs.
Trade Payables	37,927,878	37,927,878	37,927,878	-	-	-
Interest Bearing Borrowings	5,893,774	5,893,774	5,893,774	-	-	-
Lease Liability	25,871,535	28,403,518	4,484,766	4,484,766	-	19,433,986
Bank Overdrafts	2,859,816	2,859,816	2,859,816	-	-	-
Total	72,553,003	75,084,986	51,166,234	4,484,766	19,433,986	19,433,986

As at 31st March 2022	Carrying Amount	Contractual Cash Flows				
		Total	0 - 30 Days	31 - 90 Days	More than 90 Days	
		Rs.	Rs.	Rs.	Rs.	Rs.
Trade Payables	27,485,561	27,485,561	27,485,561	-	-	-
Interest Bearing Borrowings	10,285,869	10,285,869	10,285,869	-	-	-
Lease Liability	36,655,705	38,988,142	9,262,719	8,990,304	-	20,735,119
Bank Overdrafts	8,134,086	8,134,086	8,134,086	-	-	-
Total	82,561,221	84,893,658	55,168,235	8,990,304	20,735,119	20,735,119

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Company's income or the value of its financial instruments. The management conduct periodic reviews on the Company's pricing & pricing policy in order to mitigate the market risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Board of Directors of the Company monitors the return on capital, as well as the level of dividends to ordinary shareholders.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's sanitary ware trading activities.

Sri Lankan Rupee witnessed a sharp depreciation against the US Dollar in March 2023 as a result of ongoing currency crisis in the Country and on the back of economic turmoil in global, regional and local markets resulting from the COVID-19 pandemic. The Company is exposed to currency risk on foreign currency denominated liabilities and economic risk identified by currency risk.

Sri Lankan Rupee witnessed a steep depreciation during the year. In addition to the depreciation of the currency, there were significant challenges in the foreign currency market on the back of a marked reduction in liquidity amidst declining confidence and a depletion of foreign currency reserves in the country. This resulted in a series of measures such as the continuation of certain import controls and stipulations on foreign currency conversions and remittances. However, the International Monetary Fund's (IMF) Extended Fund Facility arrangement is supporting the country's efforts to stabilize its economy and recover from the crisis. Accordingly, towards the end of the year, the rupee strengthened against USD, and the rate was 336.01/-.

The Company carefully monitored the implications and took preventive measures to early settle the liabilities when ever possible.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's debt obligations with floating rates. The Company manages its interest rate risk by monitoring interest rate fluctuations to enable necessary back-up plans to be ready in advance to mitigate the risk and by ensuring that the import loans are settled within a shortest possible period by improving the working capital cycle and negotiating best possible rates with the Banks.

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

The following details demonstrate the sensitivity to a reasonably possible change in the interest rate with all other variables held constant. 1% increase or decrease is used when reporting interest rate risk and represents management's assessment of the reasonably possible change in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

The impact on the Company's Profit before tax due to the change in the interest rate is as follows;

Variable-Rate Instruments	Profit before Tax	
	Favorable	Un-Favorable
	Rs.	Rs.
2022/23		
Import Loans		
Interest Rate (1 % movement)	80,988	(80,988)
2021/22		
Interest Rate (1 % movement)	122,705	(122,705)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Board of Directors of the Company monitors the return on capital, as well as the level of dividends to ordinary shareholders.

Company's debt to equity ratio at 31st March was as follows;

As at 31st March	2023	2022
	Rs.	Rs.
Interest Bearing Borrowings	8,753,590	18,419,955
Total Equity	108,186,141	101,110,404
Equity and Debts	116,939,731	119,530,359
Gearing Ratio	7%	15%

SHAREHOLDERS INFORMATION

Twenty Major Shareholders

Name of Shareholders	As At 31 March 2023	
	Shareholding	%
CHRISLOGIX (PVT) LTD	21,750,000	73%
BANK OF CEYLON A/C CEYBANK UNIT TRUST	775,000	3%
MR. L.M.S.N. LANSAKARA	385,000	1%
MR. D.D.L. NANAYAKKARA	375,000	1%
BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	362,896	1%
DIMUNGU GOMESGE KAMAL	332,832	1%
MR. Y.L. FAROOK	254,750	1%
MR. M. JAYAWEERA	242,945	1%
DR. S.S.L. PERERA	222,458	1%
MR. U.K.S.M. WIJESINGHE	168,446	1%
MR. G. JAYAWEERA	165,001	1%
MR. R.D. WIJESINGHE	140,357	0%
LOLC FINANCE PLC/M.K.C. PERERA	137,199	0%
MRS. F.M. AHAMED	136,000	0%
MR. W.D.A.M.A. COSTA	107,000	0%
MR. D.N.P. RATHNAYAKE	100,000	0%
MR. H.K. OLIVER	100,000	0%
MR. D. PATHIRANA	88,140	0%
PEOPLE'S LEASING & FINANCE PLC/C.D.KOHOMBANWICKRAMAGE	87,932	0%
MERCHANT BANK OF SRI LANKA & FINANCE PLC/W.A.S.R. WICKRAMASINGHE	83,941	0%

Distribution Of Shareholders

	As At 31 March 2023			As At 31 March 2022		
	No. Of Holders	No Of Shares	%	No. Of Holders	No Of Shares	%
1 - 1,000	560	163,803.00	1%	539	165,883.00	1%
1,001 - 10,000	292	1,106,563.00	4%	299	1,227,552.00	4%
10,001 - 100,000	111	3,174,750.00	11%	117	3,211,610.00	11%
100,001 - 1,000,000	14	3,804,884.00	13%	16	3,644,955.00	12%
Over 1,000,000	1	21,750,000.00	73%	1	21,750,000.00	73%

Shareholdings of Directors

	As At 31 March 2023	As At 31 March 2022
	No Of Shares	No Of Shares
Mr. Christopher A. M. Perera	19,686.00	19,686.00
Mr. S. A. D. Niranjana Suraj	NIL	NIL
Mr. Sithira Wickramasekera	NIL	NIL
Mr. Shanaka Lansakara	385,000	385,000
Mr. Melanga A. Doolwala	NIL	NIL
Mr. Rohan Ladduwahetty	NIL	NIL

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Third (3rd) Annual General Meeting (Post Listing) of CHRISWORLD PLC will be held at the at Royal Colombo Golf Club , 223, Model Farm Road, Colombo 08 on Wednesday 27th September 2023 at 3.00 p.m. for the following purposes :

1. To receive and consider the Report of the Directors for the year ended 31st March 2023
2. To receive and consider the Financial Statements of the Company for the year ended 31st March 2023 together with the Auditors' Report thereon
3. To re-elect Mr. Sithira Wickramasekera who retires by rotation at the Annual General Meeting in terms of Article 84 of the Articles of Association as a Director of the Company.
4. To re-elect Mr. Lansakara Mudiyansele Shanaka Nilaksha Lansakara who retires by rotation at the Annual General Meeting in terms of Article 84 of the Articles of Association as a Director of the Company.
5. The Auditors of the Company Messers Dinithway Partners have not offered themselves for re-appointment and accordingly the Directors have nominated, Messers Wijeyeratne & Company Auditors, to be appointed as Auditors for the Financial year 2023/2024 in terms of Section 154 and other relevant sections of the Companies Act No.07 of 2007 and accordingly to authorize the Directors to determine the remuneration of the Auditors,

sgd

By order of the Board

F. SHAMA ISMAIL

Company Secretary

31 August 2023

Colombo

FORM OF PROXY

I/We.....of.....
being a member /members of Chrissworld PLC
 hereby appoint.....of..... whom failing.

CHRISTOPHER ANGELO MELVILLE PERERA	or failing him
SURAWEERA ARACHCHIGE DON NIRANJAN SURAJ	or failing him
SITHIRA WICKRAMASEKERA	or failing him
ROHAN LADDUWAHETTY	or failing him
MELANGA ASIRI DOOLWALA	or failing him
LANSAKARA MUDIYANSELAGE SHANAKA NILAKSHA LANSAKARA	or failing him

as my/our proxy to represent me/us and speak/ vote on my/our behalf at the Annual General Meeting of the Company to be held at Royal Colombo Golf Club , 223, Model Farm Road, Colombo 08 on Wednesday 27th September 2023 at 3.00 p.m. and at any adjournment thereof and at every poll which may be taken in consequence of the above said meeting. I/We the undersigned hereby authorize my/our Proxy to vote on my/our behalf in accordance with the preference indicated below:

- | | For | Against |
|--|--------------------------|--------------------------|
| • Please delete the inappropriate words | | |
| 1) To receive and consider the Report of the Directors for the year ended 31st March 2023 together with the Auditors' Report thereon | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) To receive and consider the Financial Statements of the Company for the year ended 31st March 2023 together with the Auditors' Report thereon | <input type="checkbox"/> | <input type="checkbox"/> |
| 3) To re-elect Mr.S.Wickramasekera who retires by rotation at the Annual General Meeting in terms of Article 84of the Articles of Association as a Director of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4) To re-elect Mr. Shanaka Lansakara who retires by rotation at the Annual General Meeting in terms of Article 84 of the Articles of Association as a Director of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5) To the appointment of and to authorize the Directors to determine the remuneration of the Auditors, Messrs Wijeyerathna & Company who have been appointed as Auditors in terms of Section 154 of the Companies Act No.07 of 2007. | <input type="checkbox"/> | <input type="checkbox"/> |

Signed on thisday ofTwo Thousand and Twenty Three

.....
 Signature/s

Instructions for Completion of Form of Proxy

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the case of a Company/Corporation, the Form of Proxy shall be executed in the manner specified in the Articles of Association.
4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his appointor.
5. Duly filled Forms of Proxy should be sent to reach the Company Secretary via e-mail to cwagm@chrisworld.com or by post to the registered address of the Company, Chrissworld PLC No: 199/29, Obeysekera Crescent , Rajagiriya, Sri Lanka not less than forty eight (48) hours before the time fixed for the meeting.

Please provide the following details (mandatory):

NIC/PP/Company Registration No. of the Shareholder/s :.....

Folio No :.....

E.mail address of the Shareholder/(s) or proxy holder

(other than a Director appointed as proxy) :.....

Mobile No :.....

Fixed Line :.....

CORPORATE INFORMATION

NAME OF THE COMPANY

CHRISWORLD PLC

REGISTERED OFFICE

199/29 Obeysekara Crescent
Rajagiriya.

BUSINESS ADDRESS

199/29 Obeysekara Crescent
Rajagiriya

BOARD OF DIRECTORS

Mr Christopher A M Perera
(Chairman)

Mr Suraj Suraweera
(Chief Executive Officer/ Managing
Director)

Mr Sithira Wickramsekera
(Senior Executive Director)

Mr Shanaka Lansakara
(Executive Director)

Mr Melanga A Doolwala
(Non-executive Independent Director)

Mr Rohan Ladduwahetty
(Non- executive Independent Director)

COMPANY SECRETARY

Ms SHAMA ISMAIL MOHAMED -
Attorney At Law And Registered
Company Secretary - SEC1025/93
168/5 Elvitigala Mawatha,
Colombo 08

COMPANY REGISTRAR

CENTRAL DOPOSITORY SYSTEMS
PRIVATE LIMITED
04-01 West, block, World trade enter
echelon square, Clombo 01

EXTERNAL AUDITORS

DINITWAY PARTNERS,
CHARTERED ACCOUNTANTS
No.7 ½ Devanampiyatissa Mawatha
Colombo 10

TAX CONSULTANT

DINITWAY PARTNERS, CHARTERED
ACCOUNTANTS
7 ½ Devanampiyatissa Mawatha
Colombo 10

BANKERS

SAMPATH BANK PLC
COMMERCIAL BANK PLC
NATIONS TRUST BANK PLC
HATTON NATIONAL BANK PLC

LAWYERS

Ms SHAMA ISMAIL MOHAMED
– ATTORNEY AT LAW AND
REGISTERED COMPANY
SECRETARY – SEC1025/93
168/5 Elvitigala Mawatha,
Colombo 08

ACCOUNTING YEAR

1st April to 31st March

TAX IDENTIFICATION NO

174932603

LEGAL STATUS

Incorporated under the Companies
Act no. 7 of 2007 Date of
Incorporation 30th August 2021.

A Public Limited Liability Company
listed on the Colombo Stock
Exchange

The company was re- registered
under the Companies Act No 7 of
2007 on 30th August 2021 and the
Company Registration No is PQ
00244471

