



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 Company's internal control.
- 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.

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.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

08/08/2023

ACE EXPORTS (PRIVATE) LIMITED
INCOME STATEMENT

For the year ended 31 March,

	<u>Notes</u>	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
Revenue	6	873,127,669	592,233,433
Other income	7	45,657,286	23,165,955
Changes in inventories of finished goods and work-in-progress		(12,103,159)	9,051,074
Raw materials and consumables used		(429,768,047)	(277,082,000)
Employee benefits expenses	9.1	(99,670,483)	(91,139,144)
Depreciation and amortisation		(35,319,692)	(35,354,312)
Other operating expenses - direct	8	(69,284,098)	(61,716,498)
Other operating expenses - indirect		(52,166,389)	(40,089,320)
Profit from operations		220,473,087	119,069,188
Finance income	10.1	29,739	33,978
Finance expense	10.2	(95,994,548)	(26,919,037)
Net finance expense	10	(95,964,809)	(26,885,059)
Profit before taxation	9	124,508,278	92,184,129
Income tax expense	11	(77,023,352)	(12,731,146)
Profit for the year		47,484,926	79,452,983
Earnings per share - Basic (Rs.)	12	33.92	56.75

The notes on pages 08 through 39 form an integral part of these financial statements.

Figures in brackets indicate deductions.

ACE EXPORTS (PRIVATE) LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the year ended 31 March,*

	<u>Notes</u>	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
Profit for the year		47,484,926	79,452,983
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) on defined benefit obligations	21.4	276,483	3,470,527
Tax on other comprehensive income	11.2	(82,945)	(485,874)
		193,538	2,984,653
Net gain/(loss) on fair value of FVOCI equity securities - unquoted	16	396	139
Tax on other comprehensive income	11.2	(152)	(14)
		244	125
Other comprehensive income / (expense) for the year, net of tax		193,782	2,984,778
Total comprehensive income for the year		47,678,708	82,437,761

*The notes on pages 08 through 39 form an integral part of these financial statements.**Figures in brackets indicate deductions.*

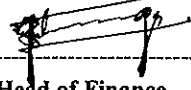
ACE EXPORTS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31 March,

	<u>Notes</u>	<u>2023</u> <u>Rs</u>	<u>2022</u> <u>Rs</u>
ASSETS			
Non-current assets			
Property, plant and equipment	13	503,068,200	531,953,355
Intangible assets	14	-	-
Right-of-use assets	15	5,785,151	11,570,303
Investments	16	326,001,325	326,000,929
		<u>834,854,676</u>	<u>869,524,587</u>
Current assets			
Inventories	17	252,303,658	114,896,166
Trade and other receivables	18	122,716,332	168,541,423
Current tax receivable	11.4	3,704,616	-
Deposits and prepayments		5,439,564	3,634,116
Cash and short-term deposits	19	53,429,572	70,389,519
		<u>437,593,742</u>	<u>357,461,224</u>
Total assets		<u>1,272,448,418</u>	<u>1,226,985,811</u>
EQUITY AND LIABILITIES			
Equity			
Stated capital	20	14,000,000	14,000,000
Fair value reserves		1,157	913
Retained earnings		764,894,106	721,027,212
Total equity		<u>778,895,263</u>	<u>735,028,125</u>
Non-current liabilities			
Employee benefits	21	30,688,690	25,937,012
Deferred tax liabilities	22	129,328,969	67,570,076
Lease liabilities	24	-	6,172,296
		<u>160,017,659</u>	<u>99,679,384</u>
Current liabilities			
Interest-bearing loans and borrowings	23	-	25,989,957
Lease liabilities	24	6,739,335	6,370,650
Current tax payable	11.4	-	6,066,192
Loans due to parent company	25	90,000,000	90,000,000
Trade and other payables	26	72,515,023	29,321,692
Bank overdrafts and other short-term liabilities	19	164,281,138	234,529,811
		<u>333,535,496</u>	<u>392,278,302</u>
Total liabilities		<u>493,553,155</u>	<u>491,957,686</u>
Total equity and liabilities		<u>1,272,448,418</u>	<u>1,226,985,811</u>

The above statement of financial position is to be read in conjunction with the notes to the financial statements on pages 8 to 39.

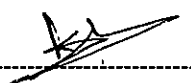
I certify that the financial statements for the year ended 31 March 2023 are in compliance with the requirements of Companies Act No. 07 of 2007.



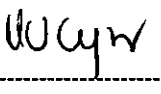
Head of Finance
 (Mr. S. K. Ranatunga)

The Board of Directors is responsible for preparation and presentation of these financial statements.

Signed for and on behalf of the Board ;



CEO/ Director
 (Mr. L.N.D. Silva)
 06 June 2023
 Colombo, Sri Lanka



Director
 (Ms. N. Sivapragasam)

ACE EXPORTS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY

	Stated Capital <u>Rs</u>	Fair Value Reserve <u>Rs</u>	Retained Earnings <u>Rs</u>	Total <u>Rs</u>
Balance as at 1 April 2021	14,000,000	788	645,489,576	659,490,364
Profit for the year	-	-	79,452,983	79,452,983
Other comprehensive income for the year	-	125	2,984,653	2,984,778
Total comprehensive income for the year	-	125	82,437,636	82,437,761
Dividends		-	(6,900,000)	(6,900,000)
Balance as at 31 March 2022	14,000,000	913	721,027,212	735,028,125
Adjustment on surcharge tax levied under surcharge act (Note 11)			(3,811,570)	(3,811,570)
Balance as at 1 April 2022 (Adjusted)	14,000,000	913	717,215,642	731,216,555
Profit for the year	-	-	47,484,926	47,484,926
Other comprehensive income for the year	-	244	193,538	193,782
Total comprehensive income for the year	-	244	47,678,464	47,678,708
Balance as at 31 March 2023	14,000,000	1,157	764,894,106	778,895,263

The notes on pages 08 through 39 form an integral part of these financial statements.

Figures in brackets indicate deductions.