AMANTE EXPORTS (PRIVATE) LIMITED
Financial Statements
For the year ended 31 December, 2023

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AMANTE EXPORTS (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion
We have audited the financial statements of Amanté Exports (Private) Limited ("the Company") (formerly known as MAS Brands Exports (Private) Limited) which comprise the statement of financial position as at 31 December 2023, and statement of profit or loss and other comprehensive income, statement of changes in equity and, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion
We conducted our audit in accordance with Sri Lanka Auditing Standards. 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 that are relevant to our audit of the financial statements in accordance with Code of Ethics issued by The Institute of Chartered Accountants of Sri Lanka, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
Management is responsible for the other information. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As management does not present other information and we were not provided with any, we have nothing to report in this regard

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

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

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

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 Sri Lanka Auditing Standards 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 Sri Lanka Auditing Standards, 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.

Madura Gunasekara
DELOITTE ASSOCIATES
Chartered Accountants
Colombo
2 April 2024

AMANTE EXPORTS (PRIVATE) LIMITED
Statement of Profit or Loss & Other Comprehensive Income
For the Year Ended 31 December 2023

	Note	2023 USD	2022 USD
Revenue	5	6,998,174	5,371,787
Cost of sales	6	(6,360,934)	(4,936,637)
Gross profit		637,240	435,150
Other income / (expenses)	7	58,806	(114,300)
Administrative expenses	8	(309,360)	(335,692)
Distribution expenses	9	(53,393)	(512,260)
Profit / (loss) from operations		333,293	(527,102)
Finance cost	10	(1,408)	(2,499)
Finance income	11	19	79
Profit/ (loss) before taxation	12	331,904	(529,522)
Taxation	13	-	-
Profit/(loss) for the year		331,904	(529,522)
Other comprehensive income, net of income tax			
Items that will not be reclassified to profit or loss:			
Remeasurements of retirement benefit obligations	23	(2,923)	(735)
Other comprehensive income / (expense) for the year		(2,923)	(735)
Total comprehensive income / (expense) for the year		328,981	(530,257)
Profit / (loss) per share - basic	14	0.002	(0.003)

The accounting policies and notes from 1 to 33 form an integral part of these financial statements.

AMANTE EXPORTS (PRIVATE) LIMITED
Statement of Financial Position
As At 31 December 2023

	Note	31.12.2023 USD	31.12.2022 USD
Assets			
Non-current assets			
Property and equipment	15	23,984	20,687
Right-of-use assets	16	-	13,662
Total non-current assets		23,984	34,349
Current assets			
Inventories	18	290,039	356,716
Amounts due from related parties	19	1,829,549	526,073
Other current assets	20	164,088	608,855
Cash and cash equivalents	21	121,562	252,321
Total current assets		2,405,238	1,743,965
Total assets		2,429,222	1,778,314
Equity			
Capital and reserves			
Stated capital	22	13,219,220	13,219,220
Accumulated loss		(11,612,066)	(11,941,047)
Total equity		1,607,154	1,278,173
Liabilities			
Non-current liabilities			
Retirement benefit obligations	23	37,396	34,195
Lease liabilities	24	-	1,051
Total non-current liabilities		37,396	35,246
Current liabilities			
Amounts due to related parties	25	85,750	87,748
Trade and other payables	26	697,416	369,880
Lease liabilities	24	1,506	7,267
Total current liabilities		784,672	464,895
Total liabilities		822,068	500,141
Total equity and liabilities		2,429,222	1,778,314

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for on behalf of the Board on 2 April 2024.

A.P.Silva
Director

K.A.S.Muditha
Director

The accounting policies and notes from 1 to 33 form an integral part of these financial statements.

AMANTE EXPORTS (PRIVATE) LIMITED
Statement of Changes in Equity
For the Year Ended 31 December 2023

	Stated capital USD	Accumulated loss USD	Total USD
Balance as at 01 January 2022	11,609,220	(11,410,790)	198,430
Loss for the year	-	(529,522)	(529,522)
Other comprehensive income	-	(735)	(735)
Share issue during the period	1,610,000	-	1,610,000
Balance as at 31 December 2022	13,219,220	(11,941,047)	1,278,173
Profit for the year	-	331,904	331,904
Other comprehensive income	-	(2,923)	(2,923)
Balance as at 31 December 2023	13,219,220	(11,612,066)	1,607,154

The accounting policies and notes from 1 to 33 form an integral part of these financial statements.

AMANTE EXPORTS (PRIVATE) LIMITED
Statement of Cash Flows
For the Year Ended 31 December 2023

	Note	2023 USD	2022 USD
Cash flows from operating activities			
Profit / (loss) before taxation		331,904	(529,522)
Adjustments for:			
Depreciation of property and equipment	15	7,744	2,912
Amortization of intangible assets		-	24,101
Depreciation of right-of-use assets	8	11,710	12,190
Write off of right-of-use assets		1,952	-
Reversal of allowance for slow-moving inventories	18	(13,005)	(1,930)
Interest expense	10	1,408	2,499
Provision for retirement benefit obligations	23	9,968	7,399
Interest income	11	(19)	(79)
Net exchange differences		4,022	(33,335)
Gain on reversal of lease liabilities		-	(215)
Cash from/ (used In) operations before working capital changes		355,684	(515,980)
Changes in working capital			
Decrease / (increase) in inventories		79,682	(334,765)
(Increase) / decrease in amounts due from related parties		(1,303,476)	159,373
Decrease / (increase) in other current asset		444,767	(172,372)
Decrease in amounts due to related parties		(1,998)	(820,165)
Increase in trade and other payables		327,536	99,729
Cash used in operations		(97,805)	(1,584,180)
Interest paid		-	(2,350)
Retirement benefit obligations paid	23	(12,796)	(3,311)
Net cash used in operating activities		(110,601)	(1,589,841)
Cash flows from investing activities			
Acquisition of property and equipment	15	(11,041)	(21,879)
Interest received	11	19	79
Net cash used in investing activities		(11,022)	(21,800)
Cash flow from financing activities.			
Share issue	22	-	1,610,000
Payment on lease liability		(9,136)	(9,861)
Net cash flows (used in) / from financing activities		(9,136)	1,600,139
Net decrease in cash and cash equivalents		(130,759)	(11,502)
Cash and cash equivalents at the beginning of the year (Note 21)		252,321	263,823
Cash and cash equivalents at the end of the year (Note 21)		121,562	252,321

The accounting policies and notes from 1 to 33 form an integral part of these financial statements.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

1. Reporting entity

Amanté Exports (Private) Limited ("the Company") was incorporated under the Companies Act, No 07 of 2007 on 22nd November 2016. The registered office of the Company and the principal place of business is located at No. 180, Bauddhaloka Mawatha, Bambalapitiya, Colombo, Sri Lanka.

The immediate parent company of the entity is Reliance Retails Ventures Limited, India and Ultimate Controlling Party of the Company is Reliance Industries Limited India.

1.1 Principal activities and nature of operations

The principal activity of the Company is to operate as an Export Trading House to export garments and undertake front end services relating to the business activities.

2. Basis of preparation

2.1 Statement of compliance

The Financial Statements of the Company, which comprises statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS & LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 07 of 2007.

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 and LKASs).

The board of directors acknowledges their responsibility for financial statements by certification on the statement of financial position.

These financial statements include the following components:

- Statement of profit or loss and other comprehensive income providing information on the financial performance of the Company for the year under review.
- Statement of financial position providing information on the financial position of the Company as at the reporting date.
- Statement of changes in equity depicting all changes in shareholders' equity during the year under review of the Company.
- Statement of cash flows providing information to 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.

2.3 Approval of financial statements by the board of directors

The financial statements of the Company for the year ended 31 December 2023 were approved and authorised for issue by the Board of Directors in accordance with Resolution of the Directors on 2 April 2024.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

2. Basis of preparation – (contd.)

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, except liability for retirement benefit obligations and lease liabilities are recognized at the present value of the retirement benefit obligation and lease liability is recognized at the present value of the future payments.

2.5 Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates. Financial Statements are presented in United States Dollar (USD), which is the Company's functional currency. There was no change in the Company's presentation and functional currency during the year under review.

2.6 Presentation of financial statements

The assets and liabilities of the Company presented in its Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

2.7 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items which are dissimilar in nature or function are presented separately unless they are immaterial, as permitted by the Sri Lanka Accounting Standard LKAS 1 '*Presentation of Financial Statements'*.

Financial assets and financial liabilities are offset, and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted by an Accounting Standard or interpretation, and as specifically disclosed in the Accounting Policies of the Company.

2.8 Comparative information

Comparative information including quantitative, narrative, and descriptive information is disclosed in respect of the previous periods for all the amounts reported in the Financial Statements to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability.

2.9 Statement of cash flows

The Statement of Cash Flows has been prepared using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standards (LKAS) 7 "*Statement of Cash Flows*". Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in hand and balance in banks.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

2. Basis of preparation – (contd.)

2.10 Use of estimates, judgements, and assumptions

The preparation of financial statements requires the application of certain critical accounting assumptions relating to the future. Further, it requires the management of the Company to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods. Hence, actual experience and results may differ from these judgements and estimates.

In the process of applying the Company’s accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements.

2.10.1 Going concern

The Company incurred the net profit of USD 331,904 and recorded an operating cash outflow of USD 97,805.36 during the year ended 31 December 2023. The accumulated loss as at the reporting date amounted to USD 11,612,066 As at the reporting date, the Company’s net assets were less than half of its stated capital which indicated a serious loss of capital situation as per Section 220 of the Companies Act No. 07 of 2007.

The financial statements have nevertheless been prepared on the basis of the company being a going concern considering that the Company’s losses have seen a sharp decline over the past few years and the management expects that the Company will further generate sufficient profits in the future as well. Further, as at the reporting date the net assets of the Company is positive and the current assets of the company exceeds the current liabilities.

2.10.2 Retirement benefit obligations

The value of the defined benefit obligations is determined using present value of the estimated future cash flows expected to be made by the Company in respect of services provided by the employees up to the reporting date. The calculation involves making assumptions on discount rates, future salary increases and expected staff turnover rates. All assumptions are reviewed at each reporting date. Due to the long–term nature of these plans, such estimates are subject to significant uncertainty.

2.10.3 Useful lifetime of property and equipment and intangible assets

The Company reviews the residual value, useful life, and method of depreciation of Property and Equipment at each reporting date. Judgement of the management is exercised in the estimation of these values, rates, methods and hence, they are subject to uncertainty.

2.10.4 Commitments and contingencies

All discernible risks are accounted for in determining the amount of all known liabilities.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the statement of financial position but are disclosed. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the relevant notes to the financial statements.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Company, unless otherwise stated.

3.1 Right – of – use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company was granted the right of use the assets owned by Amanté Lanka (Private) Limited as per 2 years sub lease agreement entered into Amanté Lanka (Private) Limited.

3.2 Property and equipment

Property and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected to be used during more than one period.

(a) Basis of recognition

Property and equipment is 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 reliably measured.

(b) Measurement

An item of property and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of, or service it. 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 costs 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 computer equipment.

(c) Cost model

The Company applies the cost model to property and equipment records at cost of purchase together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

(d) Subsequent costs

The subsequent cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be reliably measured. The costs of day to day servicing of property, and equipment are charged to the statement of profit or loss and other comprehensive income as incurred. Costs incurred in using or redeploying an item are not included under carrying amount of an item.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

3. Significant accounting policies

3.2 Property and equipment – (contd.)

(e) Repairs and maintenance

Repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the Company and the renovation replaces an identifiable part of the asset. Major renovations are depreciated during the remaining useful life of the related assets.

(f) De recognition

The carrying amount of an item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property and equipment is included in the statement of profit or loss and other comprehensive income when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

(g) Depreciation

The Company provides depreciation from the date each asset is available for use up to the date of disposal, at the following rates on a straight line basis over the periods appropriate to the estimated useful life based on the pattern in which the asset's future economic benefits are expected to be consumed by the Company of the different types of assets, except for which are disclosed separately. Depreciation of an asset ceases at an earlier date that the asset is classified as held for sale or the date that the asset is derecognized. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

Computer equipment	04 Years
Furniture & Fittings	05 Years

3.3 Financial assets

(a) Classification

The Company classifies its financial assets in the following categories.

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI) or through profit or loss), and
- Those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains or losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrecoverable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income. (FVTOCI)

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

3. Significant accounting policies – (contd.)

3.3 Financial assets – (contd.)

(a) Classification – (contd.)
The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

The Company classifies its financial assets in the following category: debt instrument at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Debt instrument at amortised cost
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. The Company's loans and receivables comprise 'trade receivables' and 'cash and cash equivalents' in the statement of financial position.

(i) Dues from related parties
Dues from related parties are measured at amortised cost. The Company applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all due from related parties.

To measure the expected credit losses, dues from related parties have been grouped based on shared credit risk characteristics and the days past dues.

(ii) Cash and cash equivalents
Cash and cash equivalents include cash in hand and balance with banks. They are brought into account at face value or gross value where appropriate. Bank overdrafts that are repayable on demand and form an integral part of the Company’s cash resources are included as a component of cash equivalents for the purpose of the cash flow statements.

(b) Recognition and derecognition
Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or settle the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(c) Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

3. Significant accounting policies – (contd.)

3.3 Financial assets – (contd.)

(d) Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income for these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gain or losses. Impairment losses are presented as separate line item in the statement of profit or loss.

FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains or losses are presented in other gains/(losses) and impairment expenses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured a FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

All of the Company's financial assets are recognised at amortised cost.

(e) Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

3.4 Financial liabilities
Financial liabilities, other than loan commitments and financial guarantees, are classified as,

a) Financial liabilities at Fair Value through Profit or Loss (FVTPL)
- Financial liabilities for held for trading
- Financial liabilities designated as fair value through profit or loss

b) Financial liabilities at amortized cost
The subsequent measurement of financial liabilities depend on their classification.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

3. Significant accounting policies – (contd.)

3.4 Financial liabilities – (contd.)

(a) Financial liabilities at Fair Value through Profit or Loss (FVTPL)
Financial Liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Subsequent to initial recognition, financial liabilities at FVTPL are fair value, and changes therein recognized in statement of profit or loss and other comprehensive income.

(b) Financial liabilities at amortized cost
Financial Instruments issued by the Company that are not designated at fair value through profit or loss, are classified as financial liabilities at amortised cost under 'bank overdraft, 'due to other customers,' and ' borrowings' as appropriate, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial assets for a fixed number of own equity shares at amortised cost using EIR method.

After initial recognition, such financial liabilities are substantially measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR. The EIR amortisation is included in 'interest expenses' in the income statement. Gains and losses are recognized in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

The Company has recorded their borrowing facilities under this category. Borrowings are initially recognised at amortised cost, any difference between the proceeds (net transaction cost) and the redemption value is recognised in the income statement over the period of them borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down in the case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre – payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has right to defer the settlement of the liability for at least 12 months after the reporting period.

All of the Company's financial liabilities are recognised at amortised cost.

(c) Reclassifications of financial assets and financial liabilities
The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

3. Significant accounting policies – (contd.)

3.4 Financial liabilities – (contd.)

(d) Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or upon expiry.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.5 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.6 Inventories

Inventories are valued at the lower of cost and estimated net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the normal course of business after allowing for cost of realization and/ or cost of conversion from their existing state to a saleable condition. The cost of inventory is determined on the Weighted Average Cost (WAC) method The cost of finished goods comprises of raw materials, direct labour and other direct costs.

3.7 Stated capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

3.8 Provision for liabilities

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

The amount recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligations at the date.

The expense relating to any provision is presented in the income statement net of any investments.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

3. Significant accounting policies – (contd.)

3.9 Revenue and expenditure

Revenue recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered includes variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

(a) Sales of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is dispatched to the customer.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Other income

Other income is recognized on an accrual basis.

3.10 Expenditure

The expenses are recognised on an accrual basis. All expenses incurred in the ordinary course of business and in maintaining property, plant and equipment in a state of efficiency are charged against income in arriving at the profit/(loss) per the year.

For the purpose of presentation of the income statement information, nature of expense method is used to classify expense.

3.11 Personnel expenses

Short term employee benefit obligations are measured on a discontinued basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay all employee benefits relating to employee services in the current and prior periods and the obligation can be estimated reliable.

3.12 Taxes

Tax is the aggregated amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income tax expense is recognized in the income statement, except to the extent it relates to the item recognized directly in equity or other comprehensive income which case it is recognized in equity or in other comprehensive income.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

3. Significant accounting policies – (contd.)

3.12 Taxes – (contd.)

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted on the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No 24 of 2017.

However, the above requirement is applicable only for the non-business profit since the Company is exempted from corporate income tax for a period of twenty five years commencing from the first year in the Company make taxable profit or two years after commencement of commercial operations, whichever falls first.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amount attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated using the tax rates that have been enacted or substantially enacted at the date of the statement of financial position that are expected to apply in the period in which the assets will be realised, or liabilities settled.

The net increase/decrease in the carrying amount of the deferred tax liability net of deferred tax asset is recognized as deferred tax expense and conversely any net decrease is recognized as reversal to deferred tax expense in the statement of profit or loss and other comprehensive income.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, 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.

As per Inland Revenue Act No.24 of 2017, which will become effective from 01st April 2018, capital assets will attract tax at applicable tax rates on the gains at the time of disposal.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year ended 31 December 2023

3. Significant accounting policies – (contd.)

3.13 Employee benefits

Defined benefit plans – Retiring gratuity

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

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 – Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. As required by LKAS 19 the Company applies the actuarial valuation method to determine the liability in respect of retirement gratuity. Resulting actuarial gains and losses are recognised in other comprehensive income.

The liability is not externally funded.

Defined contribution plan

(i) Employees' Provident Fund

The Company and employees contribute 15% and 10% respectively on the salary of each employee to the approved Employee Provident Fund.

(ii) Employees' Trust Fund

The Company contribute 3% of the salary of each employee to the Employees' Trust Fund.

3.14 Offsetting of income and expenses

Income and expenses are not offset unless required or permitted by accounting standards.

3.15 Earnings per Share (EPS)

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss 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 attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares

3.16 Maturity analysis

The Company has disclosed an analysis of assets and liabilities into relevant maturity baskets based on the remaining period as at the reporting date to the contractual maturity date.

3.17 Foreign currency translation

Foreign currency transactions are accounted for using the exchange rates prevailing at the date of the transactions or valuations where items are re-measured. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement. Such balances are translated at year end exchange rates.

AMANTE EXPORTS (PRIVATE) LIMITED
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4.1 Commitments and contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. The contingencies and capital commitments for which the Company is liable severally or otherwise is also included with appropriate disclosures.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the statement of financial position but are disclosed unless they are remote.

Contingent assets are possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the statement of financial position but are disclosed in the financial statements.

4.2 Events after the reporting period

All material events which occur between the reporting date and the date on which the financial statements are authorized for issue, and the financial impact on the condition of the assets and liabilities are disclosed in the financial statements.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year Ended 31 December 2023

		2023 USD	2022 USD
5.	**Revenue**		
	Sales of goods- export	6,821,896	4,968,969
	Sales of goods- local	176,278	390,404
	Service income	-	12,414
		6,998,174	5,371,787
6.	**Cost of Sales**		
	Opening Inventory	356,716	20,021
	Purchases	6,294,247	5,212,773
	Other Cost	10	60,559
	Closing Inventory	(290,039)	(356,716)
		6,360,934	4,936,637
7.	**Other income / (expenses)**		
	Net foreign exchange translation and transaction gains/(loss)	58,806	(114,515)
	Gain on reversal of lease liability	-	215
		58,806	(114,300)
8.	**Administrative expenses**		
	Auditor's remuneration	3,757	4,569
	Staff cost	256,669	229,063
	Depreciation charge of right-of-use assets	11,710	12,190
	Other administrative expenses	37,224	89,870
		309,360	335,692
9.	**Distribution expenses**		
	Advertising and sales promotion	53,393	512,260
		53,393	512,260
10.	**Finance cost and income**		
	Finance cost		
	Interest expense for lease liability	1,408	2,494
	Interest expense on loans	-	5
		1,408	2,499
11.	**Finance income**		
	Interest income	(19)	(79)
		(19)	(79)
	Net finance cost	1,389	2,420

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year Ended 31 December 2023

12. Profit / (loss) before taxation

The profit / (loss) before taxation has been arrived after deducting all expenses including the following :

	2023 USD	2022 USD
Staff cost	256,669	229,063
Auditor's remuneration	3,757	4,569
Depreciation of property and equipment	7,744	2,912
Amortization of intangible assets	-	24,101
Depreciation of right-of-use assets	11,710	12,190

13. Income tax expense

13.1 Current tax expense

Current tax on profits for the year	-	-
Total tax expense	-	-

13.2 Reconciliation of accounting profit to income tax expense

Profit / (loss) before taxation	331,904	(529,522)
Aggregate allowable expenses	(131,845)	(35,563)
Aggregate disallowable expenses	49,601	50,890
	249,660	(514,195)
Income from other sources		-
Tax loss claimed during the period		-
Total statutory loss	249,660	(514,195)
Income tax charged at 30%	-	-

13.3 Tax losses

Tax loss brought forward	10,872,106	10,357,911
Tax loss for the year	-	514,195
Tax loss utilized during the period	(249,660)	-
Tax loss carried forward	10,622,446	10,872,106

Deferred tax assets have not been recognised in respect of carried tax losses at the year end. Since it is not probable that future taxable profit will be adequate to utilize the available tax losses fully in the foreseeable future. Therefore no deferred tax asset has been recognised as at 31 December 2023.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year Ended 31 December 2023

14. Basic profit / (loss) per share

The calculation of the basic profit/(loss) per ordinary share is based on the profit/(loss) attributable to the ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Amount used as the numerator		
Profit / (loss) for the year - USD	331,904	(529,522)
Amount used as the denominator		
Weighted average number of ordinary shares	211,030,906	211,030,906
Basic earnings / (loss) per share - USD	0.002	(0.003)

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year Ended 31 December 2023

15. Property and equipment

	Computer equipment	Furniture and fittings	Total
	USD	USD	USD
Cost			
Balance as at 01 January 2022	15,534	-	15,534
Additions during the year	21,879	-	21,879
Balance as at 31 December 2022	37,413	-	37,413
Additions during the year	2,366	8,675	11,041
Balance as at 31 December 2023	39,779	8,675	48,454
Accumulated depreciation			
Balance as at 01 January 2022	13,814	-	13,814
Charge for the year	2,912	-	2,912
Balance as at 31 December 2022	16,726	-	16,726
Charge for the year	6,321	1,423	7,744
Balance as at 31 December 2023	23,047	1,423	24,470
Carrying value as of 31 December 2023	16,732	7,252	23,984
Carrying value as of 31 December 2022	20,687	-	20,687

Property and equipment includes fully depreciated assets, the cost of which as at 31 December 2023 amounted to USD 13,490 (2022 - USD 13,490)

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year Ended 31 December 2023

16. Right-of-use assets

	31.12.2023 USD	31.12.2022 USD
Cost	13,662	9,170
Additions during the year	-	23,420
Disposals during the year	-	(6,738)
Amortization for the year	(11,710)	(12,190)
Write off during the year	(1,952)	-
Net book value	-	13,662

The right-of-use of assets have been recognised against the agreement between Amanté Lanka (Private) Limited and the Company for the sub-lease agreements for office premises for two years from 1 March 2022 to 29 February 2024.

17. Intangible assets

	Computer Software USD	Patents, trademarks and other rights USD	Total USD
Cost			
Balance as at 1 January 2021	64,439	134,643	199,082
Additions during the year	-	-	-
Balance as at 01 January 2022	64,439	134,643	199,082
Balance as at 31 December 2022	64,439	134,643	199,082
Balance as at 31 December 2023	64,439	134,643	199,082
Accumulated amortization			
Balance as at 01 January 2022	62,778	112,203	174,981
Amortization charge for the year	1,661	22,440	24,101
Balance as at 31 December 2022	64,439	134,643	199,082
Balance as at 31 December 2023	64,439	134,643	199,082
Carrying value as of 31 December 2023	-	-	-
Carrying value as of 31 December 2022	-	-	-

Intangible assets includes fully amortized assets, the cost of which as at 31 December 2023 amounted to USD 199,081. (2022 - USD 199,081)

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year Ended 31 December 2023

		31.12.2023 USD	31.12.2022 USD
18.	**Inventories**		
	Finished goods	175,007	14,393
	Allowance made during the period *(Note 18.1)*	-	(13,005)
	Goods In Transit	115,032	355,328
		290,039	356,716
18.1	**Allowance for slow-moving inventories**		
	Allowance at the beginning of the year	13,005	14,935
	Reversal of allowance during the period	(13,005)	(1,930)
	Allowance at the end of the year	-	13,005
19.	**Amounts due from related parties**		
	Amante Lanka (Private) Limited	160,822	208,794
	Amante India (Private) Limited	1,668,727	317,279
		1,829,549	526,073

Amounts due from related parties are unsecured, receivable on demand and interest free.

		31.12.2023 USD	31.12.2022 USD
20.	**Other current assets**		
	Prepayments and other receivables	164,088	140,666
	Advance paid to suppliers (Note 20.1)	-	468,189
		164,088	608,855
20.1	**Advance paid to suppliers**		
	Advance paid to suppliers	-	528,748
	Allowance for impairment (Note 20.1.1)	-	(60,559)
		-	468,189

As at 31 December 2022, advance paid to suppliers mainly included an amount of USD 327,521 due from the Company's main supplier, Sanaska Intimates (Pvt) Ltd. At the reporting date the carrying amount does not include long outstanding advances due from the suppliers hence no further allowance was required.

		31.12.2023 USD	31.12.2022 USD
20.1.1	**Allowance for impairment**		
	Allowance at the beginning of the year	60,559	263,376
	Allowance made during the year	-	60,559
	Write-off	(60,559)	(263,376)
	Allowance at the end of the year	-	60,559

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year Ended 31 December 2023

		31.12.2023 USD	31.12.2022 USD
21.	**Cash and cash equivalents**		
	Cash at bank	121,535	248,124
	Cash in hand *(Note 21.1)*	27	4,197
		121,562	252,321
21.1	**Cash in hand**		
	Petty cash	27	34
	Foreign currency	-	4,163
		27	4,197
22.	**Stated capital**		
	Ordinary shares - fully paid		
	Number of shares as at beginning of the year	227,322,573	204,322,573
	Share issued during the period	-	23,000,000
	Number of shares as at end of the year	227,322,573	227,322,573
	Issued share capital		
	Share capital as at beginning of the year	13,219,220	11,609,220
	Share issued during the period	-	1,610,000
	Share capital as at end of the year	13,219,220	13,219,220
23.	**Retirement benefit obligations**		
	The movement in the defined benefit obligations over the year is as follows :		
	At the beginning of the year	34,195	54,685
	Current service cost	3,182	3,597
	Interest cost	6,786	3,802
	Actuarial gain arising from changes in the assumptions	2,923	734
	Payment made during the year	(12,796)	(3,311)
	Exchange rate difference	3,106	(25,312)
	At the end of year	37,396	34,195
	The amounts recognised in the income statement are as follows :		
	Current service cost	3,182	3,597
	Interest cost	6,786	3,802
	Recognised in income statement	9,968	7,399

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year Ended 31 December 2023

23. Retirement benefit obligations (contd.)

Gain from remeasurement of retirement benefit obligation is as follows:

	31.12.2023 USD	31.12.2022 USD
Actuarial gain arising from changes in the assumptions	2,923	734
Recognised in other comprehensive statement	2,923	734

This obligation which is not externally funded. Messrs Actuarial and Management Consultants (Pvt) Limited carried out an actuarial valuation of the retirement benefit calculation for both years ended 31 December 2023 and 2022. The principal assumptions used for this purpose are as follows:

	31.12.2023	31.12.2022
Discount rate per annum	14%	18%
Annual salary increment rate	10%	15%
Retirement age	60 years	60 years
Staff turnover ratio	17%	6%

Sensitivity of assumptions used in the valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions used with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the statement of profit or loss and other comprehensive income and statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the period.

	31.12.2023 USD	31.12.2022 USD
(Decrease) of liability due to the discount rate increased by 1%	35,637	(31,855)
Increase of liability due to the discount rate decreased by 1%	(38,698)	36,810
Increase of liability due to the salary escalation rate increased by 1%	38,826	36,939
(Decrease) of liability due to the salary escalation rate decreased by 1%	(35,497)	(31,708)

Sensitivity analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed.

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year Ended 31 December 2023

		31.12.2023 USD	31.12.2022 USD
24.	**Lease liability**		
	Balance as at beginning of the year	8,318	9,584
	Addition during the year	-	23,420
	Elimination during the year	-	(6,952)
	Interest expense	1,408	2,494
	Payment of lease liability	(9,136)	(9,861)
	Exchange rate difference	916	(10,367)
	Balance as at end of the year	1,506	8,318
	Amount payable within one year	1,506	7,267
	Amount payable after one year	-	1,051
25.	**Amounts due to related parties**		
	Amount Due to director (Director fees- Mr.Shammi Muditha)	15	-
	Amante Lanka (Private) Limited	66,334	3,624
	Amante India (Private) Limited	19,401	84,124
		85,750	87,748

Amounts due to related parties as at 31 December 2023 were unsecured, payable on demand and interest free.

		31.12.2023 USD	31.12.2022 USD
26.	**Trade and other payables**		
	Trade payables	633,502	281,457
	Advances received from customers	199	-
	Payroll tax and other statutory liabilities	42,044	32,124
	Accrued expenses	8,715	52,931
	Other payables	12,956	3,368
		697,416	369,880

The carrying amounts of trade and other payables are assumed as fair values, due to short-term

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
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27. Related party transactions

27.1 Parent entity

The Company has changed its shareholders on 11 November 2021. The current shareholding structure of the Company is as follows.

Name	Relationship	Place of incorporation	Ownership interest as at 31 December 2023 and 31 December 2022
Reliance Retail Ventures Limited	Parent entity	India	100%

27.2 Transactions with key management personnel

Related parties include key managerial personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and its related Companies. Such key managerial persons include the Board of Directors of the Company.

Transactions with the key management personnel during the period

	2023 USD	2022 USD
Director fees- Mr.Shammi Muditha	15	-
	15	-

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Notes to the Financial Statements
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27. Related party transactions - (contd.)

27.3 Transactions with related parties (contd.)

Related parties	Relationship	Nature of the transactions	Transaction value in 2023
Amanté Lanka (Private) Limited	Affiliate	Purchase of goods	66,920
		Sale of goods	176,278
		Services provided	
		Expense reimbursement	10,693
		Cash receipts	(280,383)
Amanté India (Private) Limited	Affiliate	Purchase of laptops	-
		Sale of goods	6,821,896
		Credit note settlement	15,343
		Cash receipts	(5,455,108)

Related parties	Relationship	Nature of the transactions	Transaction value in 2022
Amanté Lanka (Private) Limited	Affiliate	Purchase of goods	5,461
		Sale of goods	390,404
		Services provided	10,136
		Expense reimbursement	2,126
		Expense reimbursement	17,301
		Purchase of laptops	21,879
Amanté India (Private) Limited	Affiliate	Sale of goods	4,963,178
		Expense reimbursement	470,943

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
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28. Maturity analysis

An analysis of the financial assets employed and financial liabilities as at the reporting date, based on the remaining period at the statement of financial position date to the respective contractual maturity dates is given below.

31 December 2023

	Up to 3 months USD	3 to 12 months USD	1 to 3 years USD	More than 3 years USD	Total USD
Amounts due from related parties	424,561	1,404,988	-	-	1,829,549
Cash and cash equivalents	-	121,562	-	-	121,562
	424,561	1,526,550	-	-	1,951,111
Amounts due to a related party	85,750	-	-	-	85,750
Lease liabilities	-	1,506	-	-	1,506
Trade and other payables	438,023	259,393	-	-	697,416
	523,773	260,899	-	-	784,672

31 December 2022

	Up to 3 months USD	3 to 12 months USD	1 to 3 years USD	More than 3 years USD	Total USD
Amounts due from related parties	439,285	86,788	-	-	526,073
Cash and cash equivalents	-	252,321	-	-	252,321
	439,285	339,109	-	-	778,394
Amounts due to related parties	3,624	84,124	-	-	87,748
Lease liabilities	-	7,267	1,051	-	8,318
Trade and other payables	267,537	102,343	-	-	369,880
	271,161	193,734	1,051	-	465,946

29. Financial risk management

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk (including currency risk and interest rate risk)

AMANTE EXPORTS (PRIVATE) LIMITED
Notes to the Financial Statements
For the Year Ended 31 December 2023

30. Financial risk management - (contd.)

30.1 Financial risk management

a) Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or Counter party to a financial instrument fails to meet his contractual obligation which arises principally from the company's receivables from customers, investment and forward contracts. The gross exposure and net exposure of the balances are same.

	31.12.2023 USD	31.12.2022 USD
Amounts due from related parties	1,404,988	86,788
Cash and cash equivalents	121,562	252,321
	1,526,550	339,109

b) Impairment losses

The ageing of trade receivables at the reporting date were:

	31.12.2023		31.12.2022	
	Gross receivable USD	Impairment provisions USD	Gross receivable USD	Impairment provisions USD
1 - 3 months	597,816	-	439,285	-
3 to 12 months	1,221,343	-	57,169	-
1 to 3 years	-	-	444	-
More than 3 years	-	-	14,870	-
	1,819,159	-	511,768	-

The above trade receivables belongs to related parties of the Company. These amounts outstanding are unsecured and will be settled by cash on demand.

c) Cash equivalents

The company held cash at bank of USD 121,535 as at 31 December 2023 (31 December 2022 - USD 248,124) which represent its maximum credit exposure on these assets. The cash equivalents are held with bank and financial institutions counterparties, which have better rankings.

Standard Chartered Bank	AA+
HSBC Sri Lanka	AA-
Commercial Bank	A

30.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The company’s policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the company has available funds to meet its medium term capital and funding obligations and to meet any unforeseen obligations. The company holds cash and undrawn committed facilities to enable the company to manage its liquidity

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30. Financial risk management - (contd.)

30.2 Liquidity risk (contd.)

The company monitors its risk due to a shortage of funds using a weekly cash management process. This process considers the maturity of both the company's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding through inter company transactions.

The following are the contractual maturities of the financial liabilities (excluding amounts due to related parties) at its carrying value:

	Carrying amount USD	Contractual cash flows USD	6 months or less USD
As at 31 December 2023			
Trade and other payables	697,416	697,416	-
Lease liabilities	1,506	1,506	-
	698,922	698,922	-
As at 31 December 2022			
Trade and other payables	369,880	369,880	-
Lease liabilities	8,318	8,318	-
	378,198	378,198	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at a significantly different amount.

30.3 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the changes in market prices such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

30.3.1 Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures.

Foreign currency risk is managed by the finance function. It's objective is to minimise losses arising from the Company's exposure to currencies by attempting to match foreign currency denominated current liabilities against current assets of similar currencies to the extent possible.

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30. Financial risk management - (contd.)
30.3 Market risk - (contd.)

30.3.1 Foreign currency risk (contd.)

Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amount.

	31.12.2023	31.12.2022
	USD	USD
Assets		
Cash and cash equivalents	121,562	252,321
	121,562	252,321
Liabilities		
Trade and other payables	697,416	369,880
	697,416	369,880

The following significant exchange rates were applicable during the year.

	31.12.2023	31.12.2022
Sri Lanka Rupee	329.61	363.39

30.3.2 Interest rate risk

Interest rate risk mainly arises as a result of the company having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The management monitors the sensitivities on a regular basis and ensures that such risks are managed on a timely manner.

31. Commitments and contingencies

31.1 Capital commitments

There were no significant capital commitments as at reporting date.

31.2 Contingencies

There were no contingent liabilities and assets at the end of the reporting period.

32. Events after the reporting period

There were no significant events after the reporting date which require adjustments to or disclosures in the financial statements.

33. Impact on Economic Crisis

Considering the economic crisis development in the domestic market, the Central Bank of Sri Lanka announced several policy changes and as a result, the Sri Lankan rupee witnessed a sharp depreciation against the US Dollar. The Company is exposed to foreign currency denominated receipts and payments and has introduced a continuous monitoring plan on this situation.