20/21

VITAMIN (F)ASHION

ODEL

ANNUAL REPORT
2020/21

CONTENTS

FINANCIAL INFORMATION

VISION
To inspire the world.

MISSION
To provide a complete Mind, Body and Soul experience as the premier fashion and lifestyle retailer promoting sustainable and unparalleled levels of retail experience.

OUR VALUES
Odel is guided by strong shared values. We love, we serve, we style, we innovate, we give, we save, we enjoy and we inspire

As one of Sri Lanka's most prominent retail companies, Odel is revolutionizing the Sri Lankan fashion industry by bringing together a multitude of internationally recognised brands under one roof.

With a versatile range of selections from designer wear, regular wear, sportswear, accessories, household items and many more – we're crafting a whole new experience of retail therapy for you!

ODEL AT A GLANCE

680,000+
LOYAL CUSTOMERS

RS. 5.3 BN
REVENUE EARNED

140
LOCAL AND INTERNATIONAL BRANDS

Great Place To Work®

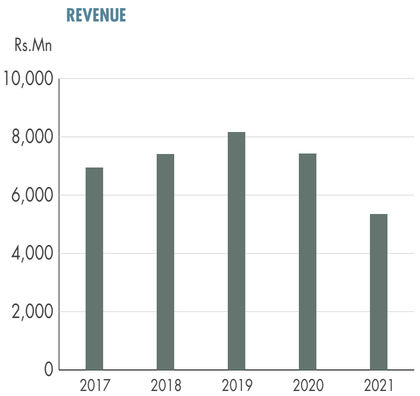
CERTIFIED AS A GREAT PLACE TO WORK

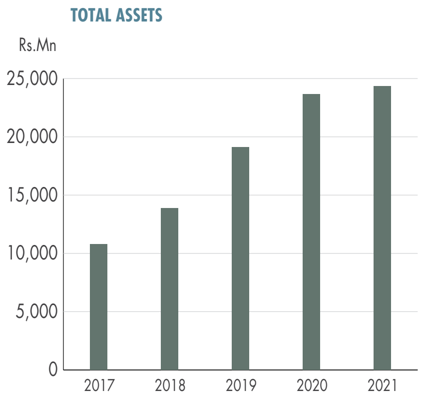
Our landmark Odel Mall Project is scheduled to open its doors to the public at the beginning of 2023; designed to reinvent and shape the local shopping experience and bring an international outlook to Sri Lanka's shores.

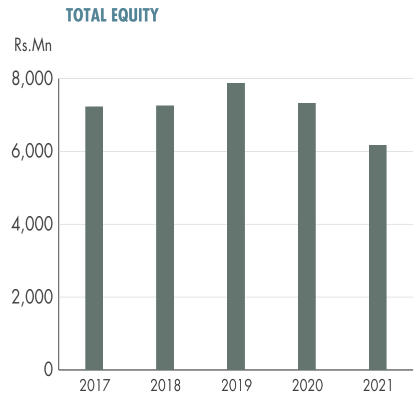
Find out more on pages 17, 30 and 31

FIVE YEAR SUMMARY

YEAR ENDED 31 ST MARCH	2021 LKR	2020 LKR	2019 LKR	2018 LKR	2017 LKR
RESULTS FOR THE YEAR					
Group Revenue	**5,349,571,979**	7,414,336,531	8,159,711,110	7,412,571,089	6,937,874,201
Results from Operating activities	**(926,961,518)**	(174,066,560)	924,359,603	643,162,647	886,414,675
Finance Cost	**(1,179,812,352)**	(1,077,664,344)	629,005,041	398,495,922	247,573,185
Finance Income	**8,812,875**	11,404,500	6,255,699	6,528,305	10,139,792
Profit (loss) before tax	**(2,097,960,995)**	(1,240,326,404)	301,610,262	251,195,030	648,981,282
Profit (loss) for the Year	**(1,685,445,558)**	(835,550,269)	244,652,393	199,341,908	464,857,949
Profit (loss) attributable to equity holders of the parent	**(1,685,445,558)**	(835,550,269)	244,652,393	199,341,908	464,857,949
FINANCIAL POSITION					
Non-Current Assets	**19,465,658,804**	18,927,737,015	13,341,882,162	9,512,061,558	7,479,673,808
Current Assets	**4,868,218,733**	4,750,107,528	5,756,191,724	4,361,824,911	3,318,513,346
Total assets	**24,333,877,537**	23,677,844,543	19,098,073,886	13,873,886,469	10,798,187,154
Equity attributable to equity holders of the parent	**6,169,508,202**	7,328,661,285	7,867,432,444	7,256,200,454	7,230,802,320
Non-Current Liabilities	**8,484,501,549**	8,084,044,803	4,569,962,225	1,489,342,691	532,129,260
Current Liabilities	**9,679,867,787**	8,265,138,454	6,660,679,217	5,128,343,325	3,035,255,575
Total Equity and Liabilities	**24,333,877,537**	23,677,844,542	19,098,073,886	13,873,886,469	10,798,187,154
Total debt	**13,123,421,570**	11,511,418,302	8,244,541,539	4,257,736,913	2,497,116,593
No. of Ordinary Shares	**272,129,431**	272,129,431	272,129,431	272,129,431	272,129,431
Gearing (%)	**68%**	61%	51%	37%	26%







CHAIRMAN'S MESSAGE

We are confident that all our efforts during the year and in the coming years will culminate in the company realising our vision of being a sought-after shopping hub within the South Asian region.

Dear valued stakeholders,

This has been the most challenging year in ODEL's history, as we faced an unprecedented public health crisis that has also similarly affected other economies around the world. On behalf of the Board, our thoughts go out to all those who have suffered from the effects of this pandemic. Equally, we remain deeply thankful to all those front-line workers who have worked tirelessly to help keep others safe and our economy moving forward. Despite the inevitable and widespread disruption to ODEL's own business, the Company responded with commendable resilience and ingenuity, delivering a stable business growth in very challenging circumstances. We achieved a turnover of Rs. 5.3 Bn amidst a series of lockdowns, social restrictions and lack of tourist shopping.

In an immensely challenging year that negatively impacted industries and livelihoods across the world, ODEL remained confident; continuing to invest in the future. We are constantly upping the ante reinventing and adapting ourselves to meet the needs of the present.

At present, ODEL is the only inspirational retail and lifestyle brand that owns and partners with over 140 fashion and lifestyle brands of local and international origin – built on the highest levels of quality, authenticity and trust. These brands are delivered through 85 stores, including ODEL department store, exclusive branded outlets and multi-brand outlets across key metropolitan shopping regions island-wide. We are currently the anchor tenant in two of the nation's significant malls, One Galle Face by Shangri La and Colombo City Centre, thus reinforcing our long-established leadership stance in the fashion and retail markets.

As we embark on a journey towards positioning Sri Lanka as a regional shopping hub, ODEL, with its monopoly status in Sri Lanka's branded fashion industry, is aligned to help achieve this vision – relying on the strategic deployment of our resources and our dominant status in the market to drive forward positive change and economic development in the long-term.

DRIVEN BY OPPORTUNITIES

In view of the spread of the Covid-19 virus, ODEL's priority is to protect the health of its employees countrywide. ODEL, with its group synergy, has also being instrumental in assisting and supporting stakeholders and local suppliers who are at the front-line in striving to curb the propagation of coronavirus.

Our business recovered quickly after having hit the lowest point in the first quarter of country lockdown and returned to growth in the second quarter. To successfully navigate the crisis, we switched our financial focus entirely onto managing our cashflows responsibly and with discipline when the Covid-19 crisis hit us in March 2020. Our measures included the establishment of strict cost and working capital controls, the reduction of unnecessary internal costs, successful negotiations for rent waivers and loan moratorium from banks. We increased our operational and financial flexibility and as a result, we are now well positioned to tackle both short-term uncertainty and long-term growth.

We connected with more customers than ever before and expanded our digital capabilities and reach during the year. The pandemic accelerated our focus on digital sales. We took decisive actions to focus on digital acceleration by moving available inventory to e-commerce, invested in a powerful digital content studio, shifted to social media marketing, resources and state-of-the-art technology tools, made sure our day-to-day decisions are data-driven with a clear focus on consumer insights and trends. Our digital capabilities helped us quickly respond and put our consumers at the center of everything we do. The longstanding relationship that ODEL forms with its franchisors/ suppliers also play a significant role in transforming the customer experience in the digital field.

The company worked tirelessly to expand its online presence and optimise its logistical capabilities across all product segments, in order to deliver a seamless experience to every customer across the island. A detailed sales agenda is in place for the online platform as we also increased the product range offered online. The company continued to enhance its capabilities through streamlined processes and centralised systems designed to enable efficiencies even amidst a complex year. A dedicated skilled service team has been set up to address after-sales and online customer support. We will continue to invest to improve customer experience of the web platform which will be well integrated with Softlogic for a holistic customer experience. ODEL belongs to one of the top consumer-driven conglomerates with an extensive distribution network in Sri Lanka. Hence, ODEL's island-wide delivery service has been synchronized with the Group's existing network therefore. Value added services such as gift-wrapping and special engraving has been introduced to our online customers. Repeat orders and new customer registration have been encouraging with improved customer confidence.

ODEL has continued to ramp-up its store presence, across the metropolises, in all its formats, in keeping with its vision of being a leader and pioneer in Sri Lankan modern retailing. During the year, ODEL launched 04 Exclusive Branded Outlet stores and 02 ODEL department stores. As part of our continuous endeavour to grow and penetrate the market, ODEL added 14,000 sq.ft. retail space during the year at several locations.

ODEL's loyalty programme, unified with its parent's platform, 'SOFTLOGIC ONE' is probably one of the largest loyalty programmes and the biggest customer databases in the country. As our loyalty programme grows, our social media is also growing very fast.

Despite the tourism sector contributing towards a significant portion of the company's revenue, ODEL remained undeterred, and diverted its focus towards the local market, while redefining our offerings to deliver collections curated for the times, including wellness, sportswear, loungewear and home-based products. The company's focus on building a portfolio of well-loved international and local brands held out during the year; this enabled ODEL to uphold the connection crafted with our consumers over many years of operations. At present, we see a significant potential in the local market, following the curtailment of overseas travel, and as such continue to develop and expand on our product range in accordance with customer needs.

Furthermore, we invested in expanding our portfolio through engaging in new brand partnerships in order to elevate our offerings, as a stepping stone to the next stage in our journey. We recently introduced 'New Balance', a leading American footwear and apparel brand, and 'Language Shoes', a range of handmade shoes.

FOCUSED ON THE FUTURE

Despite the restrictions of the current year, we firmly believe in Sri Lanka's potential as a premier fashion and lifestyle destination. The ODEL Mall remains one of our key development projects; an significant investment that will undoubtedly propel our nation to the forefront of South Asia's retail sector. The ODEL Mall, projected to launch towards the end of 2022, combines shopping, lifestyle, gourmet dining, entertainment, and real estate to create an experience that transcends monotony. Building on a familiar location and retaining the strength and heritage of the original building, while remaining modern and progressive, this 641,000 sq. ft. space will undoubtedly transform the city's landscape in line with international standards thus relying on the direction and expertise of world-renowned German architectural firm, Blocher Partners.

Furthermore, in order to widen our consumer reach and obtain a foothold in every key shopping centre the nation has to offer, we continued our expansion into other retail spaces. Arcade Independence Square (AIS) has been recently leased from Urban Development Authority to operate and manage the shopping centre for 10 years. We will reposition AIS, as a luxury boutique experience destination with fine dining facilities. The company commenced operations at this 40,000 sq.ft. shopping centre in April 2021.

As previously stated, ODEL's monopoly status in the branded fashion industry makes us an essential anchor tenant at new shopping malls coming up in the country. Havelock City Commercial Development, which is on its final phase of completion, will be Colombo's latest shopping mall with ODEL occupying 45,000 sq.ft. We will have Exclusive Branded Outlets for Charles & Keith, Calvin Klein, Aldo, Tommy Hilfiger, Mango, Samsonite and ODEL Sports at this mall.

Another hypermarket in the making – 'ODEL's Colombo-14 Project' – will open one-of-a-kind shopping centre in Central Colombo. ODEL will operate a Galleria, its multi-brand department store, at this location. We expect this location to attract high shopper traffic as the hypermarket would also have Asiri Health, Glomark and a Food Court.

We signed the lease to manage and operate 'The Mahanuwara Commercial Centre' for 15 years. This is a seven-storied mall in the heart of Kandy. We will redevelop and transform this traditional mall to a vibrant destination for entertainment and shopping with a bigger range of international brands. We will strive to unlock latent value while serving the rapidly changing consumer demands in this metropolitan town. Apart from Exclusive Branded Outlets and ODEL department store, the mall will also have a diverse Food Court and cinema halls. We will make this location the key shopping destination of the Central Province.

We are confident that all our efforts during the year and in the coming years will culminate in the company realising our vision of being a sought-after shopping hub within the South Asian region.

ACKNOWLEDGEMENTS

In conclusion, I would like to extend my heartfelt gratitude towards our valued stakeholders who played an integral role in our journey towards achieving our position as a much-loved household brand.

The only way to get through such a year is by working together as a team. Therefore, I would like to extend my heartfelt thanks to our ODEL employees. They have demonstrated resilience and shown great commitment in these unprecedented times and ensured continuance of operations despite being a very challenging year. I further extend my appreciation to the Board of Directors and the Management of ODEL, who relied on a farsighted vision and strategic insights to direct and steer the company amid what is undoubtedly a tumultuous period in the company's history. I thank our customers, people and partners for their continued loyalty and support, even as we venture into a future of new possibilities.

We remain strong in our commitment to uphold and pursue ODEL's interests. Our focus is on implementing strategies that sustain value creation thus ensuing better returns in the medium term for the Company's shareholders. With strong support of ODEL's customers, shareholders, associates, franchisors and vendor partners, ODEL and its management are confident of pushing forward Sri Lankan retail business to new heights.

Ashok Pathirage
Chairman

BOARD OF DIRECTORS

MR. ASHOK PATHIRAGE
Chairman/Managing Director

MR. HARESH KAIMAL
Non-Executive Director

DR. RUANTHI DE SILVA
Non-Executive Independent Director

DR. S SELLIAH
Non-Executive Independent Director

MR. RANIL PRASAD PATHIRANA
Non-Executive Independent Director

MR. JOSEPH MICHEAL JAYANTH PERERA
Non-Executive Independent Director
(Appointed with effect from 29th June 2021)

MR. ASHOK PATHIRAGE

Chairman/Managing Director

Mr. Ashok Pathirage, recognised as a visionary leader of Sri Lanka's corporate world, is the founding member of Softlogic Group, one of Sri Lanka's leading conglomerates. He manages over 50 companies with a pragmatic vision providing employment to more than 11,000 employees. Mr. Pathirage gives strategic direction to the Group which has a leading market presence in three core verticals – Retail, Healthcare and Financial Services and three non-core verticals - IT, Leisure and Automotive. The Asiri Hospital chain is the country's leading private healthcare provider which has achieved technological milestones in medical innovation in Sri Lanka's private healthcare. He is the Chairman/Managing Director of Softlogic Holdings PLC , Asiri Hospital Holdings PLC and Asiri Surgical Hospital PLC. He also serves as the Chairman of Softlogic Capital PLC and Softlogic Life Insurance PLC in addition to the other companies of the Group. He is also the Chairman of NDB Capital Holdings Limited, Sri Lankan Airlines Limited and Sri Lankan Catering Limited.

MR. HARESH KAIMAL

Non-Executive Director

Mr. Haresh Kaimal is a co-founder of the Softlogic Group and a Director since its inception. With over 3 decades of experience in IT and Operations, he heads the Group IT division which oversees the entire group requirements in information technology covering all sectors. He is also an Executive Director of Softlogic BPO Services (Pvt) Ltd, Director of Softlogic Holdings PLC, Softlogic Finance PLC, Softlogic Life Insurance PLC and many other Group Companies.

DR. RUANTHI DE SILVA

Non-Executive Independent Director

Dr. Ruanthi De Silva is a Director and Consultant of SCM- Plus, providing consultancy services on Finance, Logistics, Best Practices in Procurement and process restructuring, in international markets. She was the Group Director of Supply Chan Management (SCM) at Bernhard Schulte Ship Management (BSM) Group which manages over 650 ships operating from over 23 offices around the world. She carries over 40 years of local and international experience with blue-chip companies and have been in senior management positions covering strategic planning, finance, business process reengineering and operations. Dr. De Silva holds a Doctorate from the University of Newcastle in Australia and an MBA from the University of Hull in UK. She is a Fellow of the Chartered Institute of Management Accountants of UK. She is also an Associate Member of the Chartered Institute of Logistics and Transport in Australia. Dr De Silva was the recipient of the 2015 Personality of the Year for Service in the International Arena of the Maritime Industry, awarded by The Women in International Shipping and Trading Association (WISTA) Sri Lanka Branch.

DR. S SELLIAH

Non-Executive Independent Director

Dr. Selliah holds an MBBS Degree and a Master's Degree (M Phill), and has over two decades of experience in diverse fields including Manufacturing, Healthcare, Insurance, Logistics and Packaging, Renewable Power, Plantation, Retail etc.

Dr. Selliah is currently the Deputy Chairman of Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Central Hospitals Limited.

Dr. Selliah is the Chairman of JAT Holdings Ltd., Vydexa (Lanka) Power Corporation (Pvt) Ltd. and Cleanco Lanka (Pvt) Ltd. Dr. Selliah is also the Deputy Chairman of Evoke International Ltd.

He is a Director of Lanka Tiles PLC, HNB Assurance PLC, Softlogic Holdings PLC, Lanka Walltiles PLC, Lanka Ceramic PLC, ACL Cables PLC, Swisstek (Ceylon) PLC and Swisstek Aluminium (Pvt) Ltd.

He has also served as a Senior Lecturer in the Medical Faculty for many years in the past. Currently he serves as a Council Member of the University of Colombo.

Dr. Selliah also serves on the following Board sub committees of some of the companies listed above as a member or Chairman: Human Resource and Remuneration committee, Related party Transaction committee, Audit committee, Investment committee and Strategic Planning committee.

MR. RANIL PRASAD PATHIRANA

Non-Executive Independent Director

Mr. Ranil Pathirana has extensive experience in finance and management in financial, apparel and energy sectors and presently serves as a Director of Hirdaramani Apparel Holdings (Private) Limited, Hirdaramani Leisure Holdings (Private) Limited and Hirdaramani Investment Holdings (Private) Limited which are the holding companies of the Hirdaramani Group. He is also the Managing Director for Hirdaramani International Exports (Pvt) Limited.

Mr. Pathirana is the Chairman of Windforce PLC and a Non-Executive Director of Ambeon Capital PLC, Ceylon Hotels Corporation PLC, BPPL Holdings PLC & Alumex PLC. He is a Fellow Member of the Chartered Institute of Management Accountants, UK and holds a Bachelor of Commerce Degree from the University of Sri Jayewardenepura.

BOARD OF DIRECTORS

MR. JOSEPH MICHEAL JAYANTH PERERA

Non-Executive Independent Director

(Appointed with effect from 29th June 2021)

Mr. J. M. Jayanth Perera has over 40 years of experience in the financial sector with the majority of those years being at Senior Management and board levels. Mr. J. M. Jayanth Perera is a fellow of the Chartered Institute of Bankers (London) and has undergone extensive training in a host of International Financial Centres such as in London, New York, San Francisco, Hong Kong and Singapore. Currently Mr. J. M. Jayanth Perera server as an independent Non- Executive Director of Singer Finance PLC, McLarens Group of Companies — Main Board, Lanka Ratings Ltd, Interocean Energy (Pvt) Ltd, Qwest Destinations (Pvt) Ltd, Qwest Cruises Ltd, Premier Physicians Medical Group (Pvt) Ltd, Sri Lankan Airlines Ltd, Sri Lankan Catering Services Ltd. Mr. J. M. Jayanth Perera counts a long and illustrious career at Hatton National Bank PLC (HNB) where he worked as Senior Deputy General Manager- International, Business Development and Corporate Credit including Treasury Operations. He was also a Founding Director of HNB Assurance PLC. During his term at HNB, Mr. J. M. Jayanth Perera was able bring many reforms by coordinating with the Central Bank of Sri Lanka. He was also Managing Director of Acuity Stockbrokers (Pvt) Ltd including Acuity Securities and Acuity Partners – jointly owned by HNB and DFCC Bank. In these positions he contributed immensely towards business growth. He also served as Director of Lanka Ventures (Pvt) Ltd, LVL Energy and as a Board Member of the Credit information Bureau of Sri Lanka.

(F)RESH (F)FOCUS

MANAGEMENT DISCUSSION & ANALYSIS

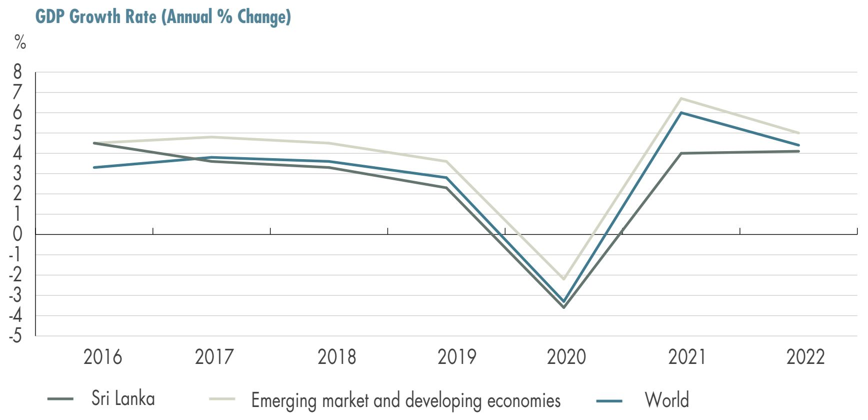
MANAGEMENT DISCUSSION & ANALYSIS

OPERATING ENVIRONMENT

The year under review was undoubtedly a challenging yet transformative one, with the impacts of the COVID-19 pandemic being felt profoundly both locally and across the globe. Travel restrictions, lockdowns and an overall disruption to everyday life led to radical shifts in consumer behaviour, requiring businesses to rethink and reinvent the way they operated almost overnight.

Sri Lanka's economy faced its worst performance yet, experiencing a contraction of 3.6% in 2020, in line with many other nations battling the implications of the pandemic. The pandemic's ripple effects were felt across many major sectors including tourism, exports, retail, construction and finance, with some industries experiencing a complete halt in activity due to certain stringent, yet essential mobility restrictions which were implemented during the year under review.

However, the economic slowdown began to show signs of recovery in the latter part of 2020, with many businesses and communities adapting to the new normal, and exhibiting signs of resilience. Despite the optimism arising from the continued rollout of vaccinations and timely interventions to contain the pandemic's spread, multiple variants and strains continue to cloud the nation's growth prospects. As such, Sri Lanka's GDP is projected to reach a moderate growth of 4% during the year 2021, and 4.1% in 2022.



Source: IMF, 2021

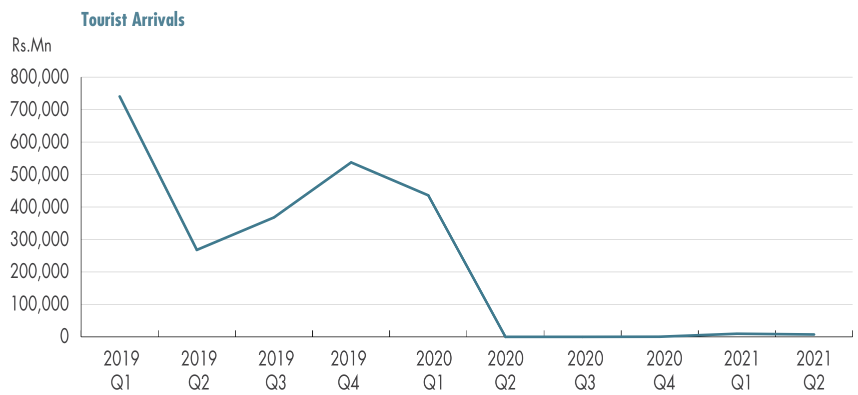
MARKET DYNAMICS

The retail and fashion industry experienced a number of setbacks during the year, primarily arising from domestic and international travel restrictions that transpired during the year. The significant decline in tourist arrivals and the complete closure of storefronts during the lockdown periods negatively affected in-store consumption, while government-imposed import controls and mobility restrictions led to disruptions in supply chain activity in the year under review.

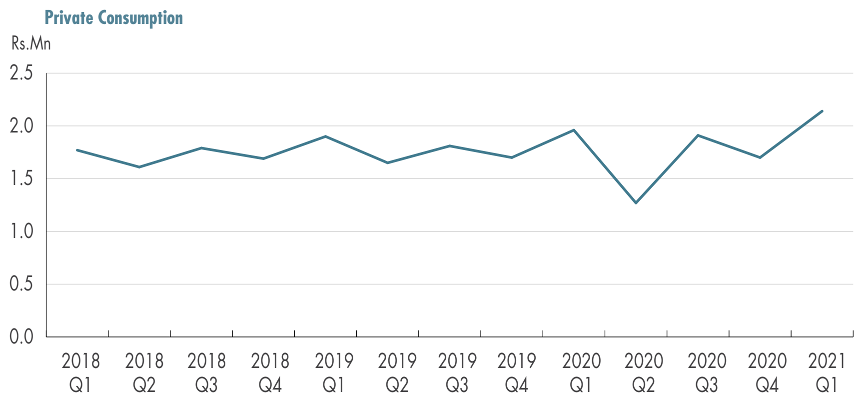
The travel retail sector came to a complete standstill, and destination shopping became virtually non-existent during a greater part of the year. With a subdued short-term future outlook in this regard, retailers are shifting more towards the domestic front and engaging with local consumers to ensure continuity, while investing in new opportunities.

Furthermore, the prevailing uncertainty led to a decline in household consumption, witnessed particularly during the second and fourth quarters of 2020. The decrease in activity is attributable to the events surrounding the first and second waves of the COVID-19 pandemic, while a clear uptick is evident with more relaxed conditions. Many households focused primarily on stockpiling essential goods, with a lesser focus on clothing and luxury items.

A clear shift was witnessed towards digital platforms during this period, with more stores striving to increase online penetration in order to meet the needs of consumers. More agile, adaptive models were sought after, with 24/7, island-wide delivery being a necessity in order to maintain a competitive advantage.



Source: SLTDA Tourist Arrivals Reports, 2019 – 2021



Source: Central Bank of Sri Lanka

THE YEAR UNDER REVIEW WAS UNDOUBTEDLY A CHALLENGING YET TRANSFORMATIVE ONE, WITH THE IMPACTS OF THE COVID-19 PANDEMIC BEING FELT PROFOUNDLY BOTH LOCALLY AND ACROSS THE GLOBE.

READINESS AND RESPONSE

Odel PLC is built on four primary pillars, or value enablers that generate long-term stakeholder value. In view of the aforementioned market dynamics, Odel PLC was uniquely positioned to leverage on these value enablers and its agile business model to uphold a commendable performance even amid a debilitating year. Relying on the trusted household name built over decades, as well as the right balance of adaptiveness, timely investments and precautionary measures enabled your organisation to triumph over uncertainty and venture into the future. The company's core strength remains in intertwining people and technology with insightful strategies and resource management, in order to cement its status as a brand loved by the people.

FINANCIAL FRAMEWORK

- Timely investments
- Insightful allocation of resources to ensure business continuity
- Ensuring consistent returns and shareholder value generation

CONSUMER CONNECTION

- A brand that resonates with the people
- A unique mix of products and services across local and international brands
- Continuous consumer engagement and responsiveness to demand

PEOPLE POWER

- A dedicated team of employees
- Development of skills and capabilities
- Long-term partnerships

SYSTEMS AND STRUCTURES

- A growing strategic presence in key locations around the island
- Empowered by group synergies which create a compelling value proposition
- Streamlined systems and procedures

OUR STRATEGIC CHOICES

A snapshot of the year's activities and the company's strategic choices with respect to emerging trends is captured below, and will be expanded upon in greater detail within the report.

	Challenge	Opportunities	Strategic Choice	Value Enablers
SHORT-TERM VIEW	• Supply chain and operational disruptions: Import and mobility restrictions caused a negative impact on the organisation's supply chain. Store closure for 2 months of the year.	• Fine-tuning our model to improve operational agility and boost productivity	• Transforming and reinventing our supply chain: utilising digitisation to ensure business continuity • Vendor negotiation: maintaining consistent supply to meet demand • Streamlining processes: ensuring optimised on-time delivery of goods	
SHORT-TERM VIEW	• Shifts in consumer behaviour: Reduction in discretionary spending, a surge in e-commerce, coupled with sporadic in-store visits. A rise in Work-from-Home and Study-from-Home culture.	• Increasing online penetration • Engaging with consumers using appropriate channels • Identifying and catering to new and evolving consumer needs	• A seamless omnichannel experience: creating a convergence between online and offline touchpoints • Marketing the right mix: Promoting value-for-money, in-demand consumer segments (Refer pages 19-20)	
MEDIUM TO SHORT-TERM VIEW	• International travel restrictions: Travel restrictions resulted in a subdued travel retail sector, impeding progress in the arena of destination shopping.	• Increasing engagement with the domestic market • Providing local shoppers with access to international brands • Tapping into new consumer segments • Further development of online channels	• Domestic marketing: Marketing a mix of firm favourites and international flavours to local consumers in line with their needs • Portfolio expansion: development of private labels to serve a wide-ranging customer base (refer page 16) whilst providing more international brand options	
LONG-TERM VIEW	• Emphasis on health, safety and well-being : A greater focus on hygiene, quality and health benefits. Fitness remains an emerging segment in the near future. Employee welfare and safety is a key priority.	• Leveraging on a reputation for quality and trust • Enhancing safety and hygiene across all locations, offices and warehouses • Focusing on products that promote health	• A safe space to shop and work: the timely implementation of protective/preventative mechanisms and strategies (refer pages 21 and 28) • Creating public awareness: sharing information about COVID-19 health measures and tips • Marketing the right mix: focusing on marketing health-based products (refer pages 19-20)	
LONG-TERM VIEW	• Post-recovery increase in consumption: A projected increase in discretionary spending, a revival in tourism and greater mobility following the relaxation of restrictions.	• Investing in future expansion and growth	• Store expansion and diversification: continuity of the Odel Mall project,movement into FMCG, engaging in further expansion of retail spaces • Portfolio expansion: entering into partnerships with more international brands, development of private labels	

FINANCIAL FRAMEWORK

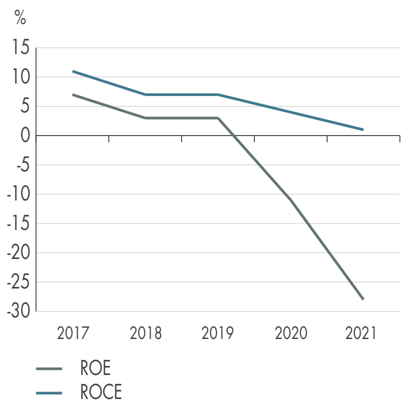
Our financial model is built on farsighted strategy and the intuitive and timely allocation of resources; built to generate lasting shareholder value through the delivery of dependable returns. Despite facing a multitude of challenges during the year which debilitated many retailers across the globe, Odel PLC managed to curb its losses through strategic planning and sound financial acumen.

Rs. 5.3 Bn
Revenue

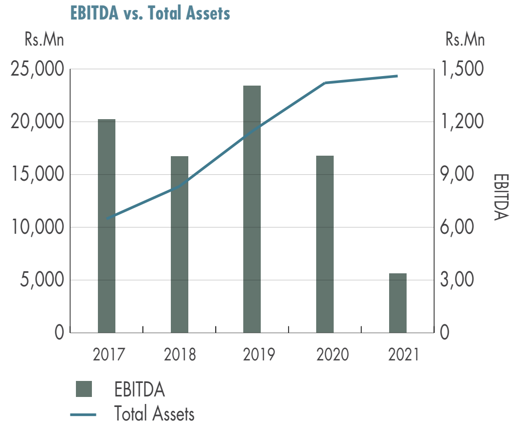
Rs. 819 Mn
Capital Expenditure

24.3 Bn
Total Assets

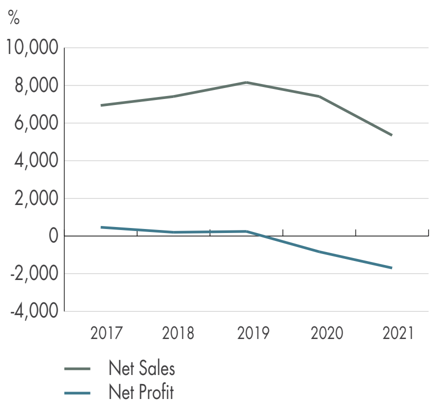
ROE vs. ROCE



EBITDA vs. Total Assets



Net Sales vs. Net Profit



REVENUE

Driven by its virtuous yet resourceful business model, Odel PLC was able to fully leverage scale by widening its product range and restructuring its retail space, while consolidating several brand and corporate functions in order to simplify the organisation and operate more efficiently. The company's actions in this regard have revealed results in terms of an annualized revenue of Rs. 5.3 Bn, which is a 28% decrease compared to the previous year's revenue of Rs. 7.4 Bn.

The aforementioned results were primarily due to the following events that took place during the year, and their associated impacts:

No operations due to a nationwide lockdown imposed from End March 2020 to May 2020

No business arising from the tourist sector, which historically accounted for approximately 30% - 40% of the company's total revenue in previous years.

Import restrictions imposed by the government adversely impacted the fulfillment of product availability for an interim period.

The gross profit margins of the company have witnessed a steady rise across the past 3 years leading up to the year 2019. Despite the nation's prevailing economic recession owing to the impact from the COVID-19 pandemic, the overall gross profit margin in the 2020/21 fiscal year was recorded at 40.9%; a decrease of 6.7% compared to the gross profit margin of 47.6% achieved in the 2019/20 financial year. This was predominantly due to the liquidation of inventory through the awarding of greater discounts in the wake of dwindling consumer sentiment.

COST OF GOODS SOLD

Cost of goods sold increased by 6.7 points as a percentage of net sales during the 2020/21 financial year in comparison with the previous year, primarily driven by the lower sales volumes of all local and global brands in addition to the negative foreign exchange impact brought about by the depreciation of the LKR against the US Dollar.

Distribution expenses and administration costs decreased by 54% and 15% respectively as against the previous year, attributable to revenue decline and the concessions received from the landlords with respect to rent, service charge etc. Furthermore, the company followed strict cost control measures during the year under review in order to achieve the same.

OPERATING EXPENSES

Excluding depreciation, amortisation and financing costs, the company's expenditure decreased by Rs. 849 Mn, a 30% decline as against the previous year. However, as a percentage of sales, expenditure decreased from 38% to 37%. Efficiencies were achieved through the improved sales productivity demonstrated by a variety of factors including store personnel, rent/ lease, distribution centre employees and targeted promotional spend. Capital expenditure stood at Rs. 819 Mn in 2021, a drop of 2,956 Mn from the preceding year.

THE YEAR UNDER REVIEW WAS UNDOUBTEDLY A CHALLENGING YET TRANSFORMATIVE ONE, WITH THE IMPACTS OF THE COVID-19 PANDEMIC BEING FELT PROFOUNDLY BOTH LOCALLY AND ACROSS THE GLOBE.

NET FINANCE COST

Odel PLC witnessed a moderate spike of 9% with respect to finance cost as against the 71% recorded in 2020, as a result of the higher debt levels experienced throughout the year. However, the company enjoyed reduced effective interest rates of 7% to 8% in 2021 as against 2020. Moreover, the company saw its borrowings for working capital and capital expenditure being enhanced in line with the significant expansions which took place during the 2019/20 fiscal year.

TAXATION

The statutory tax rate for the 2020/21 financial year has been reduced to 24% from 28% in the previous year for Odel PLC.

NET PROFIT

Odel recorded a loss after tax of Rs. 1,685 Mn, an increase of 102% from last year's Rs. 836 Mn. The profitability of the Company was affected by a range of factors including:

- sluggish market growth,
- reduced stock turnover levels due to closure of stores from end March 2020 to May 2020,
- no income from the tourist sector, accounting for 30-40% of total revenue in previous years,
- and import restrictions imposed by the government which adversely affected the fulfilment of product gaps for an interim period.

EARNINGS PER SHARE (EPS)

Odel PLC reports its 2021 negative earnings per share (EPS) at Rs (6.19), a decrease of 102% from the Rs (3.07) recorded in 2020. The organisation's basic earnings per share has unfortunately faced a continuous decrease over the past five years, underlining the decline in operating profit that took place in the corresponding years.

RETURNS AND TOTAL EQUITY

The company's total equity dropped to Rs.6.2 Bn from Rs 7.3 Bn in 2020, due to a decrease in the retention of earnings which was in turn offset by a net gain of Rs. 536 Mn arising from the revaluations of land and buildings during the 2020/21 financial year.

The return on equity decreased to (27%) from (11%) in the previous year, owing to reduction in profit after tax during the year under review.

CASH FLOW

Despite the rising cost of inventory combined with declining profitability, the company was able to maintain a degree of improvement in terms of cash flow for Odel PLC, with negative cash and cash equivalents marginally decreased to 898 Mn from 968 Mn in 2020.

Notwithstanding the significant investments in working capital and the acquisition of capital assets in the past years which were partially funded by means of borrowings, the gearing ratio at the end of the year increased to 68%, compared to the 61% reported in 2020.

CONSUMER CONNECTION

Over the years, the 'Odel' brand has become ingrained in the hearts and minds of consumers as a household name associated with quality and authenticity. As an ever-evolving fashion and lifestyle brand we hold our customers at the epicentre of our operations, with every business activity focused on meeting their needs at every turn.

140
Brands

680,000+
Loyal Customers

85+
Locations

20%
Growth in transaction value

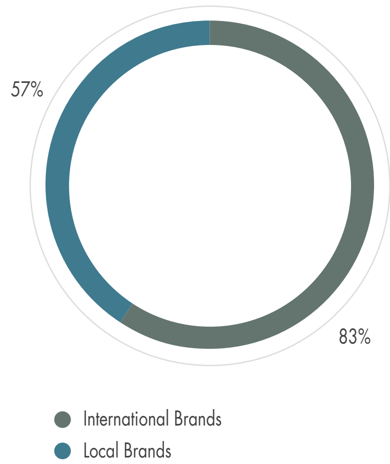
The connection we have forged with our customers continues to drive our progress – enabling your company to achieve a 20% growth in transaction value and deliver admirable results, even against the backdrop of one of the sector's most challenging years thus far.

BRAND IDENTITY AND POSITIONING

To our customers, Odel represents a lifestyle – an aspirational brand that blends mind, body and soul. Our unique portfolio of 140 international and local brands continues to grow, creating an unmatched retail experience that both local and international consumers continue to seek out year after year. With products spanning across luxury, affordable luxury, premium, and mass segments, ours is a lifestyle that caters to diverse segments across all age groups, connecting consumers across the world with unrivalled choice under a single roof.

In order to further build on this connection, Odel enjoys a presence in every major shopping destination in the island, and is notably the anchor tenant in One Galle Face Mall and Colombo City Centre, two of Sri Lanka's largest malls. This status is complemented by a strong digital platform, which ensures continued accessibility, and a seamless experience across multiple touchpoints.

Brand Composition



We are therefore uniquely positioned to place Sri Lanka on the map as a regional shopping hub, further strengthened by our dominant position in the retail sector, our powerful group synergies and a constant commitment towards reinventing our offering in line with consumer sentiments and needs.

83
International Brands

57
Local Brands

OUR BRANDS

Odel's brands merge firm local favourites with international renowned labels across a range of categories, including fashion, accessories, cosmetics, food and beverages and home and lifestyle products. Each brand brings a unique identity and value to the table, offering a wealth of choice to every individual that walks through our doors. Furthermore, we continue to partner with tenant brands such as Exclusive Lines and Spa Ceylon to offer a complete department store experience to our consumers.

PRIVATE BRANDS

Our private brands include Odel, Tara, Closet, Luv SL, B Iconic, O.D.Co, Premium, Vintage, Backstage, Cotton Collection, WYOS, Liberation, Misbehave and Boysenbear. The year saw us expand further into the junior kid's range with the launch of new private brands, namely 'Pinkabelle' and 'Buff and Blue'. Each brand is a value proposition possessing its own personality and style, enabling consumers to express their individuality and character with each purchase.

During the year, the company began to transition from marketing finished goods to creating authentic, original clothing curated to meet customer preferences, while remaining true to current and future trends – thus establishing an exclusive range of products only available in our stores. All such products are crafted using the highest quality fabric, while upholding principles of sustainability at every stage.

The year under review also saw Odel tap into the FMCG market, with the introduction of a range of premium quality high-grown BOPF green tea and black tea, in addition to loose-leaf Ceylon green tea, all sourced from the hills of Dimbula.

INTERNATIONAL BRANDS

Odel's growing portfolio of international brands include Charles & Keith, Calvin Klein, Armani Exchange, Mango, Aldo, Nike, Puma, Guess, Diesel and Adidas, among others. At present, Odel has 83 international brands under its belt, and continues to explore and seek out potential partnerships with other major labels across the world. These brands are favoured by local and international shoppers alike, creating a powerful stepping stone towards instituting a global shopping experience on our very own shores whilst making international brands easily accessible to the discerning local consumer.

The year saw us continue to expand on our international portfolio with the addition of the globally acclaimed range of Rado watches. This Swiss brand is both renowned and awarded for innovation and revolutionary design, and will undoubtedly add immense value to our position as a leading fashion retailer in the Sri Lankan market.

THE ODEL EXPERIENCE

Every Odel store is conceptualised and built around a similar concept – welcoming its consumers via contemporary, modern spaces infused with Sri Lankan culture. We rely on experiential retail to improve and enhance the customer's in-store experience, immersing every guest within the Odel lifestyle with every step. We believe in creating a family-friendly environment, with something for everyone to enjoy.

We also ensure that this sense of identity extends across the store's online platforms to create an integrated customer experience across the organisation's various channels.

The Odel Mall Project

In anticipation of the growing post-COVID retail market, the organisation is taking customer experience to the next level with its landmark Odel Mall Project, scheduled to open its doors to the public at the beginning of 2023. We believe the Odel Mall will be a destination designed to shape the local landscape, enabling us to deepen our connection to the people through a one-of-a-kind experience that offers the best in retail, lifestyle, gourmet dining and living spaces.

The mall, while housing Odel's entire gamut of celebrated brands, will also be home to a spa, sports facilities, fine dining and multi-cuisine restaurants, luxury apartments and two floors of multiplex cinema. Its prime location will still retain its sense of heritage, affording a sense of familiarity to our loyal customers who have shopped with us over the years, while providing an international outlook that will further reinforce our reputation as a retail travel destination in the years to come.

Refer page 30-31 for more details

ODEL CONTINUES TO ENGAGE AND COMMUNICATE WITH ITS CONSUMERS THROUGH A RANGE OF PLATFORMS IN ORDER TO RAISE AWARENESS REGARDING NEW ARRIVALS, TRENDS AND PROMOTIONS.

CONSUMER ENGAGEMENT AND COMMUNICATION

Odel continues to engage and communicate with its consumers through a range of platforms in order to raise awareness regarding new arrivals, trends and promotions. Four main campaigns are carried out each year to introduce new collections to the public on par with international seasons, i.e., Spring, Summer, Fall and Winter. Each campaign is designed to be iconic and striking, featuring on trend fashion; representing the aspirational lifestyle that exemplifies the Odel brand.

189,000+
followers

888,782
likes

As part of 'Softlogic One', Softlogic Group's unified loyalty programme, Odel PLC is supported by a strong customer database, enabling the deployment of data-driven marketing solutions across its range of brands. Odel also continues to engage with its consumers and the general public across its social media platforms and dedicated website/online store.

Furthermore, the company raises awareness on key promotions including Black Friday, cyber promotions, tactical flash promotions and end-of-season sales across strategic social media and digital media platforms and messaging services prior to their launch, thereby ensuring greater visibility, reach and results.

RESPONSE TO COVID-19

COVID-19 brought about a significant transformation in consumer dynamics, leading us to re-evaluate our standing in terms of a retail brand known for its luxury brands and experiential shopping model. Against the backdrop of an uncertain climate, customers repeatedly sought out safe ways to shop, leading to a drive towards digital growth, while directing a greater focus on obtaining product categories more relevant to the times.

THE RIGHT MARKET

With international travel bans in effect Odel's focus was primarily on its growing local customer base, whose potential was identified by the company well in advance of the year's events. Our range of brands were valued by local shoppers unable to seek out international brands from overseas, providing them with authentic brands at a competitive rate.

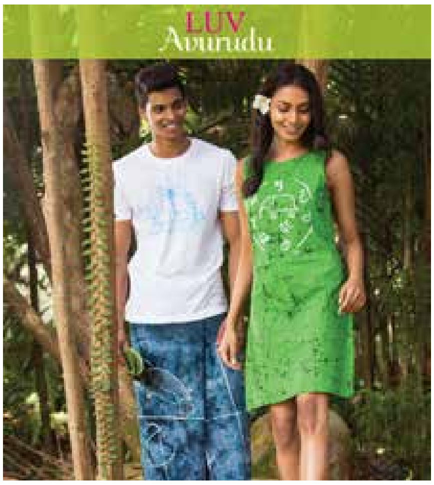
In order to remain relevant to the local consumer, alongside our four main collections, the company also ran capsule collections aligned with local festivals and events, e.g. Vesak and Avurudhu.

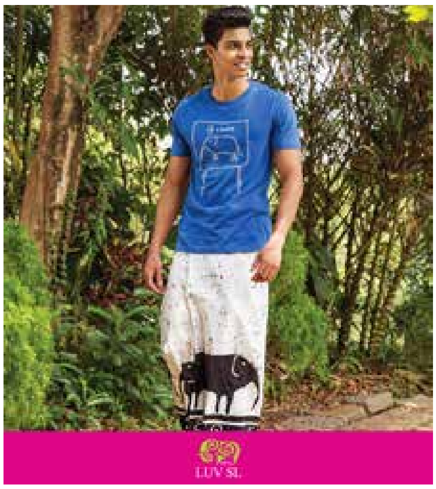
The LUV SL brand, most popular among our international clientele faced a considerable impact due to its fast-declining market during the year. Therefore, Odel engaged with Sri Lankan batik suppliers to reinvent the brand to suit the local palette by means of a more localised, ethnic approach.

WITH INTERNATIONAL TRAVEL BANS IN EFFECT ODEL'S FOCUS WAS PRIMARILY ON ITS GROWING LOCAL CUSTOMER BASE, WHOSE POTENTIAL WAS IDENTIFIED BY THE COMPANY WELL IN ADVANCE OF THE YEAR'S EVENTS.

Identified Trends

- A shift from international to local shoppers
- Digital focus
- Health and Safety
- Wellness Products
- Home and Lifestyle Products
- Athleisure and Fitness





THE RIGHT CHANNELS

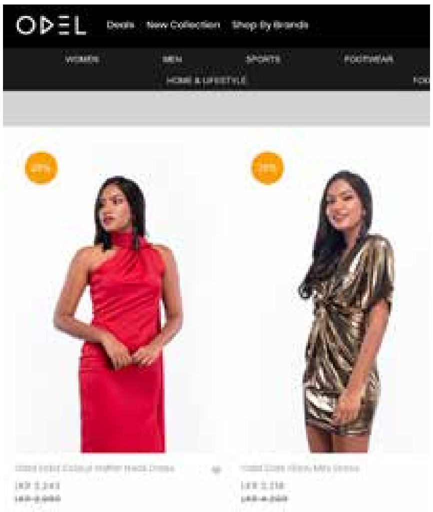
With mobility restrictions and intermittent lockdowns, a clear shift towards digital platforms was witnessed in the year under review. This development required a complete reinvention of our store-based model, particularly in an industry where tactile experiences often drive decision making.

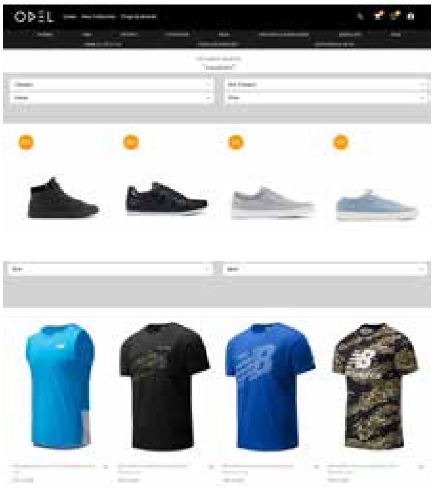
As such, it was essential to create an environment that was familiar to our customers, by recreating the Odel experience on a digital platform using visual aids and data-driven processes to bridge the gap between tangible experiences and digital devices.

Therefore, Team Odel worked tirelessly to create a convergence between online and offline touchpoints, featuring the entire array of products displayed in our stores to enable continued accessibility despite the closure of our premises during the year.

In order to further enhance levels of customer convenience, Odel also initiated the necessary logistics to enable island-wide delivery within 3 days for all its products, while providing the customer with the option of paying cash on delivery if required.

Strategic, tactical promotions were implemented during the year, targeted at moving key product categories for which a well-defined demand existed. The effectiveness of these communications were established through the detection of a direct correlation between marketed and purchased products during the year.



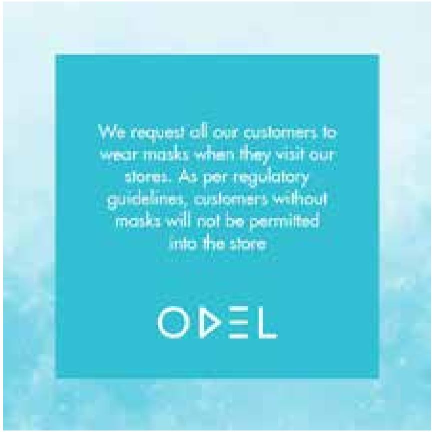


THE RIGHT PRODUCTS

Odel believes in remaining in tune with the ever-evolving needs of the people, and thus was able to focus primarily on the year's more popular segments. With WFH culture being an emerging trend, a greater inclination towards purchasing home-based lifestyle products was witnessed and ODEL astutely made these lines available to the consumer thereby driving up volume in these segments.

The design team and merchandising team, identified styles and trends that would gain traction against the challenging environment, providing attractive value-propositions in light of the decrease in discretionary spending. In terms of private labels, the buyer curates the right product together with the design team, whereas private labels involve the selection of appropriate product ranges based on trends, market dynamics and future forecasts.

Furthermore, the buyer curated its collections in accordance with the times, prioritising loungewear and casual wear for the home, and athleisure and wellness products for the more health-conscious consumer.



THE RIGHT PRECAUTIONS

With safety and health being of paramount importance, Odel PLC directed its efforts towards creating a safe space for its customers to shop, once its doors were made open to the public once more. Guidelines were posted across various platforms and within the stores, with hand sanitizers placed at strategic locations across the premises.

In addition, with the prevailing conditions of uncertainty at the time, our communications transitioned into more informative content, connecting consumers and the general public with information on health trends and hygiene practices that would ensure their welfare and build a more emotive presence.

PEOPLE POWER

At Odel PLC, our people and partnerships serve as our most valuable resource; the underlying mechanism that propels our journey forward as a premier fashion and lifestyle retailer offering unparalleled excellence to every customer.

The 2020/21 financial year saw the retail sector face unprecedented turbulence, and it is undoubtedly the sheer commitment, dedication and foresight of our workforce that enabled us to rise to the challenge of anticipating and meeting the evolving needs of our consumers, unfazed by conditions of uncertainty and adversity.

Great Place To Work®

We believe in creating an 'Employee First' culture, where the care we extend to our employees will be further extended to our clientele.

As such, Odel PLC was certified as a 'Great Place to Work' during the year.

The 2020/21 financial year saw the retail sector face unprecedented turbulence, and it is undoubtedly the sheer commitment, dedication and foresight of our workforce that enabled us to rise to the challenge of anticipating and meeting the evolving needs of our consumers, unfazed by conditions of uncertainty and adversity.

HUMAN CAPITAL

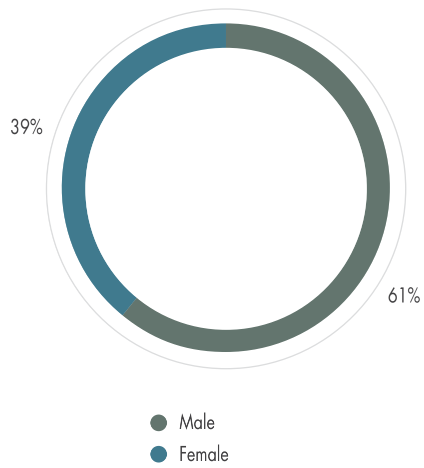
With the aim of delivering excellence and quality across an array of business functions, Odel PLC engages in attracting retaining and developing the highest levels of talent among the company's current workforce of 1200+ employees. The Human Capital Department plays an integral role as a support function that enables the achievement of overall business objectives, while ensuring that the perfect balance of skills and capabilities are in place to serve the people at the right place and the right time.

At present, Odel's workforce constitutes a diverse range of employees that span three primary categories of employment, based on their impact on core and non-core business needs, encompassing both mall operations and stores.

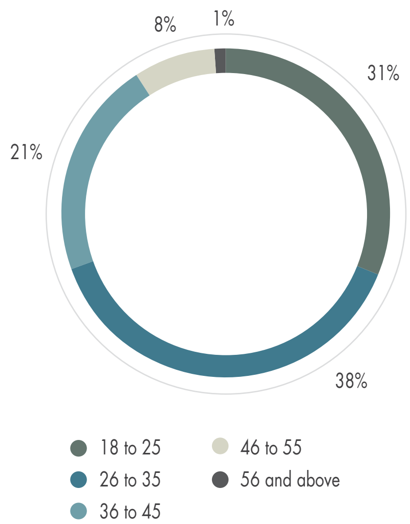
HUMAN CAPITAL

Permanent Employees	Temporary Employees	Outsourced Employees
Those who contribute directly towards operational and support functions at a strategic and executive level.	Those involved in short-term, periodic or seasonal projects or assignments.	Those engaged in sub-support functions, including janitorial services, security services, transport and logistics, etc.

Employees by Gender

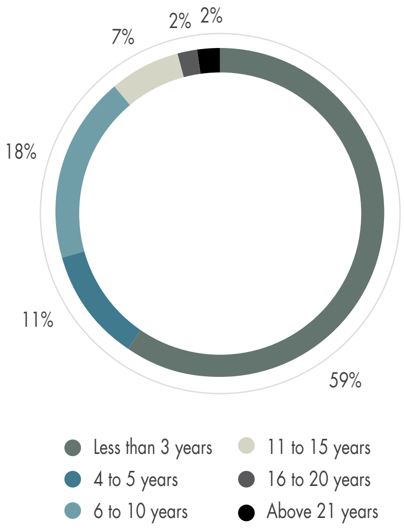


Employees by Age



WITH THE AIM OF DELIVERING EXCELLENCE AND QUALITY ACROSS AN ARRAY OF BUSINESS FUNCTIONS, ODEL PLC ENGAGES IN ATTRACTING RETAINING AND DEVELOPING THE HIGHEST LEVELS OF TALENT AMONG THE COMPANY'S CURRENT WORKFORCE OF 1200+ EMPLOYEES.

Employees by Service Period



Our Approach

In order remain competitive within a rapidly transforming environment, maintaining the synergy and consistency of Human Capital within an organisation is vital. Therefore, to ensure overall alignment with the organisation's objectives, the Human Capital Department is governed by an overarching vision and mission, detailed below.

These principles ensure the continued growth and progression of our employees from the moment they enter our workforce. Ours is a work culture that inspires productivity, setting each staff member on a path that would eventually lead them to the pinnacle of success.

Our employees benefit from the professional exposure that spans the entire gamut of our operations – strengthened by the experience of working alongside local and international product lines, with every activity governed by enduring values including exceptional service excellence and superior quality.

Sourcing Talent

We believe that the right skills, talent and capabilities are key to ensuring the company transfers its passion for responsible fashion and aspirational lifestyle to its customers. As such, this energy and enthusiasm is shared by all our employees, whose work is characterised by their drive, commitment, creativity and customer-orientation.

In order to ensure the right talent is selected for a specific role or assignment, the Human Capital Department practices both internal sourcing and external recruitment processes through a range of contact points.

HR VISION	To be the country's most preferred retail employer			
HR MISSION	To become 'A Great Place to Work'			
HR ROLES	Strategic Partner	Administrator	Change Agent	People's Champion

EXTERNAL TALENT SOURCING

Recruiting or head-hunting industry veterans and experts, while providing competitive monetary and non-monetary benefits.

Sources
Newspaper advertisements
Social media and online platform advertising
Job agencies and head hunters
Educational institutes and bodies
Job campaigns and fairs

INTERNAL TALENT SOURCING

Enabling the growth of internal employees through established career development plans, while providing adequate training and development.

Sources
Employee referral programmes
Promotions
Job rotations

Employee Engagement and Retention

The maintenance of high levels of employee satisfaction and motivation is essential towards retaining the right talent and ensuring their continued productivity. Based on these factors, the Human Capital Division formulated and established '5 People Promises' detailed below.

5 HR GOALS

PEOPLE PROMISES

- We develop and grow
- We recognise and appreciate
- We trust and care
- We listen to your ideas
- We have fun

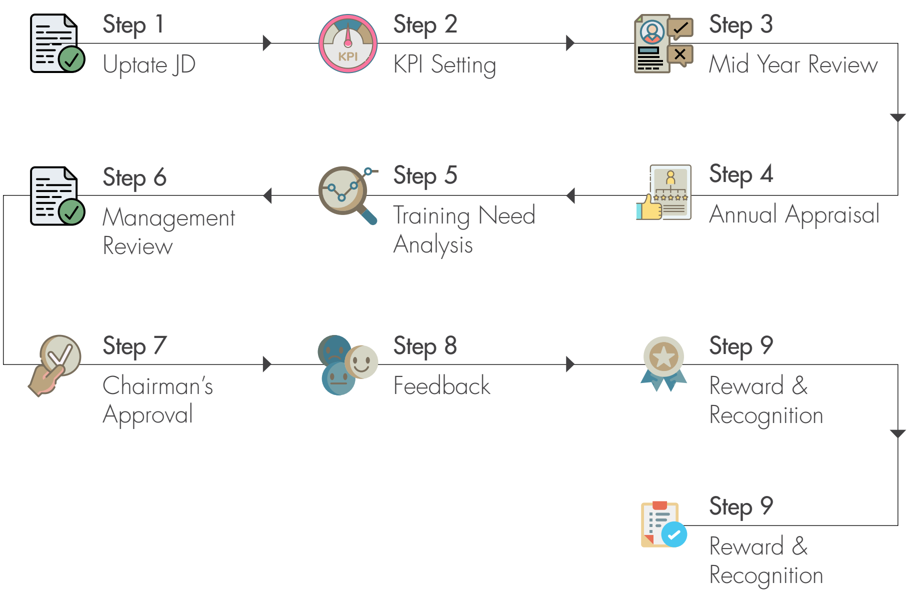
THE PERFORMANCE MANAGEMENT SYSTEM COMPRISES A 10-STEP FRAMEWORK WHEREIN JOB REQUIREMENTS AND KPI'S ARE REASSESSED, REVISED AND DEVELOPED EVERY FINANCIAL YEAR.

We Develop and Grow

As a part of the Softlogic Group and a key player in the Softlogic Retail arm, Odel PLC's individual KPI's and departmental KPI's are aligned with the Group's Performance Management system, thereby creating a systemised talent development process and a high performance-oriented culture.

The Performance Management System comprises a 10-step framework wherein job requirements and KPI's are reassessed, revised and developed every financial year. Mid-year assessments take place annually, and are utilised to assess each employee's performance in order to identify any gaps in training and develop necessary competencies. These are followed by annual performance evaluations comprising of both a self-assessment and supervisor-based assessments, spanning competencies, values and extra-mile performances.

The training and development process begins from the induction of an employee into the organisation, constituting an orientation programme to familiarize the new recruit with the company's culture, products and services. Thereafter, employees face a combination of team building, technical and as a recent initiative, behavioural and personality development programmes. Training is used as a tool to advocate a practical learning culture, with team training taking place on-the-job. In-store training is primarily focused on three key areas including product knowledge, store processes and customer orientation. Furthermore, the training needs analysis and skills audit enables the organisation to assess in gaps in competencies and identify the specific areas for improvement.



Thus, in the 2020/21 financial year, Odel PLC invested over 10,000 hours in training for over 250 participants from executive, non-executive and managerial categories. 33 training programmes were conducted in topics spanning leadership, negotiation, legal principles, communication, customer care, etiquette, health and safety, IT and digital knowledge and technical specialisation training.

10,000 +
Training Hours

250
Participants

33
Programmes

Odel PLC focuses on the highest standards of customer service and excellence, and therefore the Human Capital Division designed a specialised training programme in this regard. The CHAMPS Training Programme encompasses the following areas which are essential towards retail customer care:

C	Cleanliness
H	Hospitality
A	Attentiveness
M	Maintenance
P	Product Quality
S	Speed of Service

Key Initiatives

- Introduction of the performance management system across the retail sector
- Introduction of the training directory
- Introduction and implementation of online training.
- Using the 9 Blocker system for Talent Review.
- Establishment of Assessment Centres for Talent Identification.
- Establishment of a Development Centre to develop Behavioural & Technical Competencies.

We Recognise and Appreciate

In order to assess and identify and reward employee KPIs based on their overall performance, the retail sector adopts the balance scorecard system. In this system, the best performer is recognised and awarded accordingly following an assessment of previously identified KPI's against the actual performance. An awards night takes place annually to recognise and reward consistent performance.

Stringent measures are often taken to minimise and monitor workplace complacency in order to inspire staff members, while communicating organisational objectives in order to improve their overall contribution to the company's success.

Key Initiatives

- Employee of the year awards
- Chairman's awards
- Best performer of the year
- Sales personality of the year award
- Retail manager of the year award
- Retail Awards night

We Trust and Care

At Odel PLC, we are committed towards maintaining the highest standards as an employer of choice, and therefore adhere to labour regulations and legislations with relation to employment status, and do not compromise on any regulations which fall under Shop and Office Act or Wages Board Ordinance.

The selection and on-boarding process consists of a series of panel interviews, aptitude test and assessments, followed by the provision of necessary documentation, including the issuance of the letter of appointment (LOA) or service-level agreements (SLAs).

An employee ID is issued to enable the employee to access staff discounts and other benefits. Insurance will also be an entitlement during this process – depending on the company, the employee will either be eligible for the company's insurance scheme from the first month of recruitment or after completion of the probationary period.

Key Initiatives

- Automating all LOAs and personnel files to a centralised database
- Implementation of the 5S system
- Developing SLAs and Standard Operating Procedures (SOPs)

Equal Opportunity Employer

Diversity, multiculturalism and respect are values which constitute the Odel DNA. Ours is a culture that enables each person to embrace their true self, and develop their maximum potential as part of a diverse, creative and innovative team, regardless of their race, ethnicity, gender, age, religion, nationality, or any other characteristics.

Therefore, the fostering of a diverse and inclusive work environment in order to improve company performance and achieve corporate goals is an organisational priority that has been endorsed at the highest level. A range of initiatives and projects help create a wholesome culture that values qualities such as trust, transparency, and employee engagement.

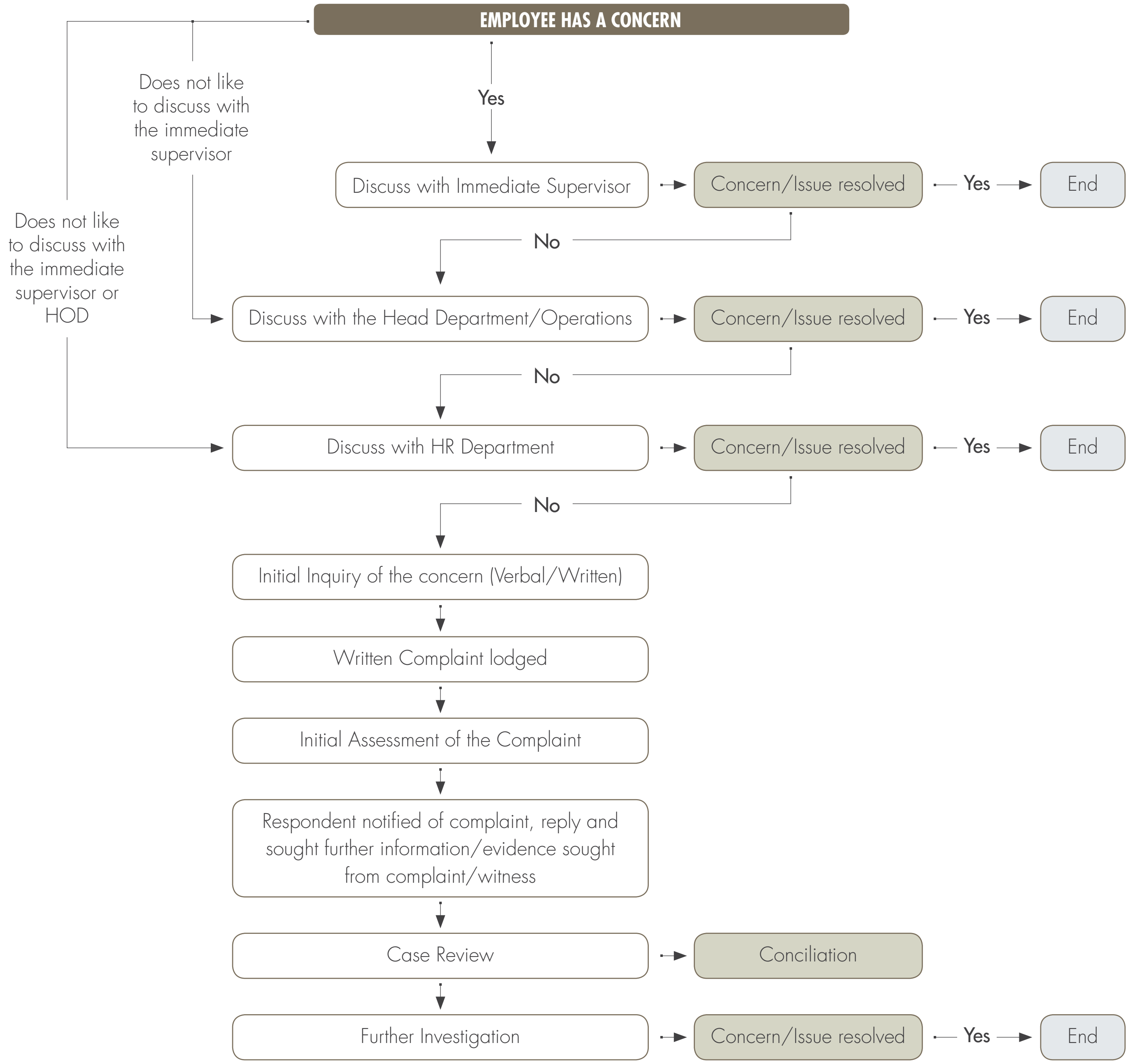
Our employees demonstrate multiple viewpoints, enabling us to face challenges uniquely, to be open-minded about innovation and to tirelessly seek new approaches to value creation. We believe that diverse thoughts and opinions create extraordinary products and services but more importantly, a diverse and inclusive workforce builds core values of trust and respect.

Grievance Handling and Whistle-blowing Processes

The organisation has in place a comprehensive grievance handling process of which all employees are aware. In the event of any concern, an employee may either approach their immediate supervisor or the HR Department. If the issue is not resolved at the secondary level of management an inquiry of concern will be conducted by the HR department in either a verbal or written format. If the conclusion is still unsatisfactory, a written complaint can be lodged, and an initial assessment will be conducted with the support of further information, evidence and witnesses. The case will then be reviewed and resolved.

OdeL PLC holds a zero-tolerance policy for any form of sexual harassment in the workplace, promptly investigating all allegations and treating every incident with the utmost severity and caution. Any individual found to be engaging in such behaviour will face disciplinary action, up to and including dismissal from employment. All complaints of sexual harassment are taken seriously and treated with respect and in confidence, with no individual facing the prospect of victimisation for lodging such a complaint.

Sexual harassment is defined within the organisation as an unwelcome conduct of a sexual nature which makes a person feel offended, humiliated and/or intimidated. It includes situations where a person is asked to engage in sexual activity as a condition of that person's employment, as well as situations which create an environment which is hostile, intimidating or humiliating for the recipient. Sexual harassment can involve one or more incidents, and actions constituting harassment may be of a physical, verbal and/or non-verbal nature.



Employee Insurance Scheme

A comprehensive insurance scheme was introduced during the year covering Non-Executives, Executives and Managers above ML1. The cover will consist of a range of benefits including Indoor covers, OPD, Spectacles, Critical Illness, Life Cover as well as a Personal Accident Cover for staff and their immediate family members.

We Listen to Your Ideas

Odel PLC broadly sanctions innovation as one of the core competencies that determine long-term growth and sustainability. Furthermore, we value the welfare of our people, and as such, 'People Promises Surveys' are conducted in order to engage with and listen to the concerns, ideas and suggestions of our employees. The results of these surveys help us assess and improve any gaps to meet the needs of our employees and ensure their satisfaction is achieved.

Furthermore, the organisation engages in 'Coffee Chats', one-on-one sessions that enables the company to identify the concerns and pain points employees face during daily operations. Any identified concerns are taken into consideration and necessary action taken to ensure their resolution.

Key Initiatives

- People Promises Survey
- Coffee chats
- One-on-one discussions.
- Innovation Committee
- Town Hall Meeting and Quarterly Achievement Awards

We Have Fun

The company believes in fostering an environment that promotes engagement and satisfaction, while encouraging a good work-life balance. Therefore, a range of initiatives and activities are conducted during the year, including annual awards nights to recognise the company's best performers, as well as Odel Idol, which is a space for our employees to explore and uncover their hidden talents.

Key Initiatives

- Cricket tournament
- Annual Bowling tournament
- Odel Idol competition
- World Aids Day Programme
- World Women's Day celebrations
- Independence Day celebrations

Response to COVID-19

With unprecedented times, come extraordinary measures. As the entire nation faced lockdowns, with many retailers being negatively impacted, Odel managed to survive without resorting to reductions in pay or job losses even while navigating uncharted territory, wholly driven by company values under the unwavering guidance of our leadership team. Employees worked tirelessly around the clock to ensure the business's continuity, and deliver uninterrupted services to our valued consumers.

Managing Operations

- Once the restrictions on retail operations were lifted, the following initiatives were implemented, under stringent safety guidelines:
- All retail operations were converted to online operations and all the employees were provided with special transport, accommodation and food, as no public transportation and food were available within the city limits.
- All stores were disinfected and sanitised to ensure the safety and welfare of the employees were upheld.
- All employees were strictly advised to wear a mask and maintain a 1-meter distance with adequate sanitiser dispensers stationed at each touchpoint.
- Special security officers were allocated to check temperature at the entrance when entering any official premises.
- Employees operated in bubbles. They were rostered into two teams to better monitor their condition, minimise spread and ensure continuity of operations.
- Special accommodations were arranged to quarantine employees who were affected with COVID-19, while ensuring all safety mechanisms were in place.
- Special passes were obtained for operational staff and vehicles in order to travel between restricted areas, while adhering to all the safety measures stated by the government.
- Support function staff were also involved in supporting operations, while adhering to all safety measures.

Managing Labour Cost and Funds

- Pay cuts were not extended to employee grades spanning executive levels and below.
- The management and leadership teams contributed a percentage from their remunerations.
- Overheads were reduced, with most of the employees working from home.

Online Training

- All basic and service-related trainings were conducted via Microsoft Teams while developing video modules to refer to while offline.
- Leadership development and motivational training programmes were facilitated via internal resources on a weekly basis in order to drive a learning culture.
- Online training modules and programmes were developed to educate operational staff engaged in online operations.

Adopting a Work-From- Home Culture

- All support function staff members were requested to work from home.
- All employees were equipped with laptops and adequate data in order to work from home effectively.
- A special work from home policy and instructions were developed to support employees to adapt to the new system and ensure overall efficiency.
- Meetings were encouraged in order to monitor progress and maximise productivity.

Employee Engagement and Communication

- All notices related to COVID-19 and daily operations were communicated via sector communication media to keep all employees informed and updated.
- Birthday wishes and inspirational content were shared on a daily basis, in order to engage with employees.
- Online engagement activities were initiated to motivate employees working from home and engaging in online operations.

AS A PREMIER RETAIL BRAND WITH A REPUTATION FOR QUALITY AND TRUST, ODEL WORKS IN PARTNERSHIP WITH A BASE OF LOCAL AND INTERNATIONAL SUPPLIERS, THEREBY ENSURING THAT A WIDE-RANGING SELECTION OF BEST-IN-CLASS PRODUCTS FROM ACROSS THE WORLD ARE MADE AVAILABLE TO OUR LOYAL CONSUMERS.

SUPPLIER RELATIONS

As a premier retail brand with a reputation for quality and trust, Odel works in partnership with a base of local and international suppliers, thereby ensuring that a wide-ranging selection of best-in-class products from across the world are made available to our loyal consumers. Our suppliers range from large-scale manufacturers to small and medium-scale enterprises, as well as a number of nominated agents who specialise in fabric sourcing. With the rise of e-commerce, Odel further engages with delivery partners to ensure on-time-delivery of products across the island.

Odel PLC also believes in encouraging and fostering the growth of local entrepreneurs, and therefore holds an open policy in terms of working with any supplier who possesses the right mix of quality, capabilities, and skills to partner with us.

Quality Assurance

In order to ensure international quality standards are maintained from the point of sourcing, prior to the commencement of a partnership, each supplier is screened to ensure their capabilities meet Odel's standards of product excellence. This process includes on-site visits to assess the supplier's capacity and commitment to quality, while ensuring continued partner development via a technical team, who ensure best practices are incorporated into the supplier's systems while uplifting and enhancing their skill levels where required.

Response to COVID-19

In the wake of disruptions to demand and supply arising from the COVID-19 pandemic, the company faced numerous challenges in terms of ensuring business continuity, particularly with respect to the factory closures and mobility restrictions that were enforced during the year.

The longstanding relationships and trust maintained with our suppliers were indeed key strengths that enabled us to meet consumer demand during the year, even as we negotiated with our suppliers to ensure continuous supply of raw materials and products, while upholding government-imposed health and safety regulations at all times.

SYSTEMS AND STRUCTURES

Our systems and structures are the supportive mechanisms that enable productivity and grant us the capacity to serve our consumers with consistency and efficiency.

At Odel, these consist of both physical and intangible infrastructure, i.e., our stores, technology and processes. During the year, your company sought to upgrade and invest in improving these systems and structures in order to enable even greater growth in the future.

OUR RETAIL PRESENCE

Odel PLC is present in all local shopping districts, and is currently the anchor tenant in Sri Lanka's two largest shopping complexes, One Galle Face Mall and Colombo City Centre. At present the company utilises over 350,000 square feet of space including our flagship store in Ward Place, at the heart of the Colombo city. Furthermore, we are working towards doubling our current presence by 2023, in anticipation of the growing potential of the retail market, as we journey towards establishing Sri Lanka as a tourist hotspot and major regional shopping hub.

We employ a team of in-house architects and interior designers to ensure that each Odel store remains consistent in terms of ambience and atmosphere – retaining a uniform brand spirit and appearance throughout. Stemming from the overall structure to the layout and lighting, each location infuses international traits and local culture to bring to life an experience that embodies the vision we hold for ourselves as the region's preferred retailer.

The year saw us invest in further expansion, in order to extend our reach by four key locations.

ODEL MALL - WARD PLACE
641,000 sq. ft
Projected to open by the first quarter of 2023
Owned property, with an investment of Rs. 16 Bn

MAHANUWARA COMMERCIAL CENTRE
155,000 sq. ft
Projected to open by March 2022
15 year operating lease

ARCADE INDEPENDENCE SQUARE
40,000 sq. ft
Operations commenced April 2021
10 year operating lease

HAVELOCK CITY
35,000 sq. ft
Projected to open by March 2022
5 - 10 year operating lease

350,000+
sq. feet

85+
Individual locations

THE ODEL MALL DEVELOPMENT PROJECT

The year saw us make further strides in our landmark development project, the Odel Mall. Slated to further supplement and build on our iconic Ward Place location, the mall will house vast retail spaces complete with spa facilities, entertainment centres and exclusive premium apartments surrounded by a verdant sky garden. The final outcome will be a perfect contribution to a progressive, modern cityscape, while meeting the evolving needs of the citizens of tomorrow.

This distinctive structure is conceptualised and executed by Germany-based architectural firm blocher partners, with a mission to inspire the world with an extraordinary experience that transcends mind, body and soul.

DURING THE YEAR, KEY PLANNING TOOLS WERE INITIATED IN ORDER TO IMPROVE OUR TOP-LINE, THUS ENSURING ON-TIME INVENTORY FULFILMENT, IMPROVED CAPACITY PLANNING AND BETTER EXPENSE MANAGEMENT.

641,000+
sq. feet

12
Levels

STREAMLINED PROCESSES

In order to keep the pace with the changing world, Odel PLC invested in enhancing and developing its processes, relying on the implementation of centralised systems and technology to improve productivity and promote cost-effective operations. As we strive towards building an end-to-end digital system, our focus is on incorporating a 360˚ overview that will optimise and fine-tune our processes to deliver value to our stakeholders by maximising profitability, streamlining operations and simplifying systems.

Improvements and Initiatives in 2020/21

- Route optimisation
- Improved warehouse operational efficiency
- Sales and operational process improvements
- Product lifecycle management system

During the year, key planning tools were initiated in order to improve our top-line, thus ensuring on-time inventory fulfilment, improved capacity planning and better expense management. This system is designed to drive sustainable, efficient operations – improving entry accuracy and reducing wastage through the advancement of our inventory management and assortment purchasing processes. It also serves to minimise the likelihood of over-buying or under-buying goods through accurate projections via the monitoring of historical data.

Furthermore, a transport management system was initiated with the objective of route optimisation, while warehouse operations achieved greater packing efficiency and accuracy by means of new systems and initiatives implemented in the year under review, including the implementation of Stock Keeping Units or SKUs. These achievements helped us realise seamless operational logistics, thereby enabling us to ensure on-time-delivery even amid a demanding year, and handle online sales around-the-clock, even taking into account the night sales that took place from 7pm-12pm.

While COVID-19 posed many challenges in terms of mobility, our group synergies ensured we remained on track through our very own product lifecycle management system. The ABITY system developed by Softlogic's IT arm enabled us to run the entirety of our operations online, encompassing aspects from design to delivery of goods, with the added advantage of supporting financial reconciliation.

GROUP SYNERGY

Odel PLC is backed by the strength of the Softlogic Group of companies, which is a conglomerate spanning retail, healthcare, financial services, leisure, automobiles and information technology. As a result, we possess the ability to form new value chains while boosting operational agility and productivity. Furthermore, as we venture into the future, it enables us to create growth opportunities and capitalise on a stronger market position going forward.

Softlogic One, the group's unified loyalty platform, provides unrivalled information at our fingertips and enables the company to connect with its consumers in a more meaningful and impactful manner. Furthermore, the shared spaces and brands inspired by the group's capabilities set the stage for a hypermarket concept, which will undoubtedly create vast stores of value in the years to come.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE IS DEFINED AS THE MANNER IN WHICH COMPANIES ARE ORGANIZED, MANAGED AND CONTROLLED IN COMPLIANCE WITH EXTERNAL REGULATIONS. IN THIS CONTEXT, CORPORATE GOVERNANCE IS DEEMED TO BE GOOD, WHERE DIRECTORS AND OFFICERS RESPONSIBLE FOR GOVERNANCE, PROCEED DILIGENTLY, ETHICALLY AND WITH TRANSPARENCY IN THE PERFORMANCE OF THEIR DUTIES IN THE INTERESTS OF THE SHAREHOLDERS.

ODEL IN THIS CONTEXT, ACTS CONSISTENTLY WITH A STRONG ETHICAL COMPASS ACROSS ALL MARKETS THAT WE OPERATE WHILST EMBODYING THE DIFFERENT CHALLENGES POSED BY THE POLITICAL ENVIRONMENT, ECONOMIC DOWNTURNS AND THE CHANGING ECOSYSTEM OF CONSUMER BEHAVIOUR.

BOARD OF DIRECTORS

The Board of Directors performs its duties in accordance with corporate interest, to maximize the value of Odel within the long term for the mutual interest of all shareholders. The Board sets precedence in providing leadership, by setting strategic direction, risk appetite and for approving strategies. In order to strengthen governance, the Board has delegated authority to several committees to provide assistance in the form of reports and recommendations submitted to the Board on a periodic basis.

COMPOSITION OF THE BOARD

The Board comprises of 6 Directors with a split between 1 Executive and 5 Non-executive Directors, with 4 of them being Independent Directors, all of whom are distinguished professionals in their respective fields, with the skills and expertise necessary to constructively challenge the Management. They understand and appreciate the dynamism of the fashion trade and the global benchmarks. Directors act in the best interest of the shareholders avoiding any conflicts of interest. The composition of the Board is in compliance with the Corporate Governance Rules of the Colombo Stock Exchange.

RESPONSIBILITIES OF THE BOARD

The role of the Board and its responsibilities are set out as below:

- Exercise leadership, enterprise, integrity and judgment in directing the Company so as to achieve continuing prosperity in a manner based on transparency, accountability and responsibility
- Ensure a managed and effective process of Board appointments
- Determine the Company's purpose, values and strategy and ensure that procedures and practices are in place
- Monitor and evaluate the implementation of strategies and policies for better management performance
- Ensure compliance with the relevant laws, regulations and codes of best practice on corporate governance
- Communicate with shareholders effectively and serve the legitimate interest of the shareholders
- Periodic and timely reporting to shareholders of the progress and performance of the Company
- Review processes and procedures regularly and ensure that internal control is effective

APPOINTMENT AND RE-ELECTION TO THE BOARD

Odel adheres to a formal and transparent procedure for nomination of candidates for appointment as Directors. The appointment of new Directors is based on an annual assessment of the combined knowledge, experience and diversity of the Board in relation to Odel's strategic plans. The board members are elected by the shareholders at the Annual General Meeting (AGM) for the period up until the next AGM.

BOARD MEETINGS AND ATTENDANCE

The Board held 3 meetings during the year under review, with the said meetings conducted on a frequent basis. When deemed necessary, additional meetings are convened.

Playing an integral role in strategy formulation, the Board provides clear directions to the Management to prepare and advise on the strategic plan for Odel. The plan is reviewed and approved at a meeting convened for the purpose.

Scheduled board meetings are planned well in advance to ensure, as far as possible, that Directors can manage their time commitments. All Directors are provided with supporting documents for each meeting, through which they can prepare themselves for and to attend all board meetings. Attendance is deemed strictly necessary for shareholders' meetings and all meetings of the committees on which they serve, unless there are exceptional circumstances that prevent them from doing so. Directors have full access to Group information and are entitled to obtain independent professional advice at the Group's expense in appropriate situations.

CHAIRMAN

The Chairman takes accountability in leading the Board of Directors and overseeing the effectiveness of corporate operations whilst fully discharging fiduciary and regulatory responsibilities. The Chairman promotes good corporate governance and the highest standards of integrity and probity throughout the Company / Group. He ensures that the Board receives all information necessary for making informed decisions whilst protecting stakeholder interests. Within the Group, the Chairman also serves as the Managing Director and is responsible for recommending strategic directions to be followed by the Group and for implementing the decisions of the Board. The performance of the Managing Director is reviewed by the Board on an annual basis.

REMUNERATION OF THE BOARD

Remuneration for Directors is set out with reference to the Board and is disclosed on page 73 of this Annual Report.

COMPANY SECRETARIES

Messrs. Softlogic Corporate Services (Pvt) Ltd. function as Company Secretaries to the Group. The Company Secretaries provide guidance to the Board as a whole and to individual Directors with regard to discharging of responsibilities. The Company Secretaries are responsible to ensure that the Board complies with the applicable rules, regulations and procedures and all activities relating to the Board.

BOARD COMMITTEES

To fortify governance, the Board has delegated authority to three Board Sub committees. Audit Committee, Remuneration Committee and Related Party Transactions Review Committee function as the Board Sub Committees. Minutes of the sub-committee meetings are circulated to the Board ensuring awareness of the activities of the sub-committees by all Board members.

INDEPENDENCE OF DIRECTORS

Mr. R P Pathirana, Dr. S Selliah , Dr. R De Silva and Mr. J. M. Jayanth Perera function as independent directors of the Company.

As per the Rules issued by the Colombo Stock Exchange, Mr. R P Pathirana, Dr. R De Silva and Mr. J.M. Jayanth Perera meet all the criteria of independence. Dr. S Selliah meets all the criteria of independence except one.

Dr. S Selliah is a Director of Softlogic Holdings PLC which has a significant shareholding in the Company.

The Board having evaluated all the factors concluded that their independence has not been impaired due to him serving on the Board of other company which has a significant shareholding in the Company

COMPLIANCE WITH CORPORATE GOVERNANCE RULES OF THE CSE

The following disclosures are made in conformity with Section 7 of the Listing Rules and section 9.3.2 (b) of the related party transaction rules of the Colombo Stock Exchange:

SECTION	CRITERIA	HAS THE COMPANY MET THE CRITERIA
7.10.1 (a)	Non-executive Directors	Complied with. Out of 6 Directors 5 are Non-executive Directors.
7.10.2 (a)	Independent Directors	Complied with. There are four Independent Directors on the Board. All Non-executive Directors have submitted the declaration with regard to their independence/non-Independence except Mr. Jayanth Perera who was appointed to the Board with effect from 29th June 2021.
7.10.3	Disclosures relating to Directors	As per the rules issued by the Colombo Stock Exchange, Mr. R P. Pathirana and Dr. R De Silva meet all the criteria of independence. Dr. S Selliah meets all the criteria except one.
7.10.3 (c)	A brief resume of each Director should be included in the Annual Report including his/her area of expertise	Complied with. A brief profile of each Director is available in the Board profile presented on pages 7 and 8.
7.10.3 (d)	Appointment of new Directors .A brief resume of any new Director appointed to the Board	Complied with. No new appointments to the Board during the Financial Year ended 31st March,2021. However, Mr. Jayanth Perera appointed to the Board with effect from 29th June 2021.
7.10.5	Remuneration Committee	Complied with. Comprises of three independent Non-Executive Directors. The names of the members of the committee are given in the page 40 of the Annual Report.
7.10.6	Audit Committee	Complied with. Comprises of four Independent Non-Executive Directors. The names of the members of the Committee are given in the page 39 of the Annual Report. The report of the Committee is given on page 39. The Senior Manager – Finance attends all the meetings by invitation.

RISK MANAGEMENT

INTRODUCTION TO RISK MANAGEMENT

Risk can be defined as the probability or threat of a liability, loss or other negative occurrence, caused by external or internal vulnerabilities which would affect the desired objective. Vulnerabilities mean an exposure that is related in some way to an adverse outcome. Therefore, risk represents vulnerabilities that could prevent achievement of Odel PLC's objectives.

Risk Management is the process of analyzing exposure to risk by identifying vulnerabilities and their probabilities of occurrence in order to determine how best is to handle such exposure. Risk Management is concerned with implementing various policies, procedures and practices that work in agreement to identify, analyze, evaluate, monitor and prioritize risks, followed by application of coordinated and economical solutions to minimize the probability and Impact of identified vulnerabilities.

Transferring risks to outside parties, reducing the negative effect of risk and avoiding risk altogether are considered as risk management strategies in ODEL.

The Board of Directors has the overall responsibility to manage the risk effectively to ensure the business developments are consistent with the risk appetite and goals of the group. The board audit committee (BAC) monitors the effectiveness of internal controls with the Odel senior management, the Group head of Audit & Risk and the Head of Internal Audit – Retail Sector.

ODEL PLC uses a risk management ranking methodology to identify key risks specific to our company. Risk ranking offers a potentially powerful means for gathering risk elements to help set risk management priorities. The prioritization process assists in deciding which risks is to be treated as a priority in formulating the risk strategy. All the prioritized risks will be rated based on the likelihood of occurrence and impact it will have.

The ODEL PLC, is the market leading lifestyle & fashion retailer in the country with an access to wide range of internal brands. It also absorbs the group synergies of Softlogic Holdings' diverse business interests. This will expose the company to wider range of risks and opportunities. Though there are many risks to which business is exposed, those risks have been broadly categorized as follows,

1. Strategic Risk
2. Financial Risk
3. Operational Risk

STRATEGIC RISKS	FINANCIAL RISKS	OPERATIONAL RISK
Competitive risks	Interest rate risk	Employee risk
Economic Risk	Foreign Exchange risk	Legal risk
Reputation Risk	Credit Risk	Operation risk
Marketing Risk	Liquidity risk	Fraud risk
Environmental Risk	Investment risk	Technology risk
Regulatory Risk		

Strategic Risk - As an organization attempts to achieve their strategic objectives, both internal & external events and scenarios can inhibit or prevent an organization from achieving their strategic objectives. There is a risk associated with organizations' long term place with the initiatives such as future plans for entering new markets, expanding existing services, enhancing infrastructure, etc. Organization may exposure to adverse outcomes from the strategic decisions made by management arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes.

Financial Risk – Financial risk creates the possibility of losses arising from the failure to achieve a financial objective. The risk effects uncertainties about interest rates, foreign exchange rates, commodity prices, equity prices, liquidity, and an organization's access to financing. These financial risks are not necessarily independence to each other/ For instance, exchange rates and interest rates are often strongly linked, and this interdependence should be recognized when managers are designing risk management system.

Operational Risk – Business/operational risk related to activities carried out within the entity, arising from structure, systems, people, products and processes. Operational risks are largely based on procedures and processes, so this lends itself to the use of audit for risk identification purposes. Risk based audit can be used as a tool to identify risks, as well as method of reporting to the management on the effectiveness of the organization's risk management process.

THE PROCESS OF RISK MANAGEMENT

DEFINING THE RISK	MANAGEMENT DEFINES RISKS AS STRATEGIC, OPERATIONAL AND FINANCIAL
Risk Assessment	Risks are assessed based on their potential impact on business activity, financial position, and reputation. A "level 1" risk is negligible while a "level 5" risk is catastrophic. The likelihood & impact of risks are assessed, considering controls in place to address them. A scale of 1 to 5 is used, where indicates "Rare" and 5 is "Almost certain", despite the controls in place.
Risk response	Appropriate actions are taken to align with risk tolerance and risk appetite. Based on the significance of the risk, decisions are taken appropriately to manage the risk by accepting, reducing, sharing or avoiding it. Risk responses received from process owners are identified in relation to set objectives are also documented & reviewed.
Control activities	Corporate Management/Functional heads implement the risk response action plans identified while the Internal Audit follow up taken place to ensure the effectiveness of managing those risks. This is inclusive of process walk through, review of internal control gaps, spot check coverage with areas in operation.
Monitoring & Reporting risks	Documentation and reporting is a key role in monitoring risks. The internal audit reports and management letters of external auditors, are regularly communicated to the management of the company and the board audit committee. This committee comprise of three Non-Executive Directors who will assess the adequacy of the internal control strength and effectiveness of risk management framework & report to senior management for any improvement

RISK ASSESSMENT MATRIX

The below Risk Matrix is use for our risk assessment on the likelihood and impact of a specific type of event, the output is a probability weighted impact.

		Likelihood				
		1. Rare	2. Unlikely	3. Possible	4. Likely	5. Almost certain
Consequences/Impact	5. Catastrophic	Medium	High	Critical	Critical	Critical
	4. Major	Medium	High	High	Critical	Critical
	3. Moderate	Low	Medium	High	High	Critical
	2. Minor	Low	Medium	Medium	High	High
	1. Negligible	Low	Low	Low	Medium	Medium

The Global pandemic continues to stress the local economy for FY 2020/21 and the businesses experienced multiple disruptions due to lockdowns and needed to invest in health & safety measures to continue their operations.

As government and public health systems manage the pandemic and reduce outbreaks, the society and business will need to adapt new trends and modified consumer habits. Accordingly purchasing pattern and value invest on consuming ODEL Brands was changed drastically. These trends can lead to important changes in product groups that consumers will demand thus, ODEL PLC keeps close attention on such emerging trends & consumer preferences.

Weak purchasing power will adversely impact both consumer & business confidence. Many industries are anticipating slower growth. The year ahead will probably be challenging specially for fashion industry. In the foreseeable future, consumers will spend more consciously based on their prime needs. Consumers respond positively when companies demonstrate social responsibility, give back to communities in need and prioritize environmental sustainability. Therefore, fair working conditions and ethical business actions will be significant for the success of the entity. During this crisis, ODEL PLC has taken measures to safeguard our valued customers, staff and suppliers while sustaining our operations in an environment friendly manner.

Business interruptions were experienced, time to time, due to curfew imposed to prevent spreading of COVID 19.

RISK MANAGEMENT

Investment in malls is quite significant as most ODEL PLC showrooms are inside malls in Western Province. Due to social distancing these malls were not allowed to open for a considerable time span of the year. Clothing stores were in the non-essential category hence, were not allowed to keep open for customers, especially in western province. The tourism Sector was significantly impacted by international border closures and travel restrictions which affected foreign tourist footfall overall to our outlets. The year under review was an extremely challenging year for our tourism focused product ranges and designated shops.

The biggest challenge of COVID-19 is that the time consumed to regain the market momentum after businesses restarted.

Due to closure of physical store locations, consumers trend towards online shopping. Therefore, ODEL continued sales through its online channel, "ODEL.LK" website while improving the customer experience to a greater extent. Since regular face-to-face contact with customers is minimum, ODEL PLC opt to use social media platform to stay connected and continued providing excellent information. For this purpose, the company has increased investing in social media presence, such as Facebook, YouTube, Instagram, Tweeter etc.

Consumers are also becoming more conscious of health and safety and due to COVID-19 epidemic as they have realized the importance of a healthy society. Employee Health & safety concerns are regularly elevated and we have implemented several safety measures under the guidelines of the Government Health Authorities. All business locations have taken measures to prevent spread of the virus by establishing health & safety committees and safety procedures such as mandating all staff to wear masks, all cashiers to wear gloves to minimize personal contact. We are performing our operations with minimum number of staff to facilitate social distancing. As per regulatory guidelines, customers without masks are not permitted to step into stores thus, we encourage customers to wear masks when they visit our stores. Regular cleaning and disinfection of high contact areas are carried out according to health guidelines.

RISK CATEGORY	RISK	RISK MANAGEMENT STRATEGIES
Strategic Risk	Business is largely dependent upon our ability to predict accurately fashion trends, customer preferences and other fashion-related factors.	A dedicated buying department oversee trends in response to seasonal changes & international changes in the fashion industry lowering such impact through meticulous planning. Further the team receives weekly updates with regards to new developments in fashion from the Intercontinental Group of Department Stores (IGDS)
Strategic Risk	We rely on foreign sources of production and recognized local channels as well. The company could suffer due to increases in the price of products and freight & poor management of supply chain.	The company has established a separate department to monitor fluctuations in prices, favorable markets & distribution channels & it's managed under a dedicated director of logistics & imports linking with the buying department. Additionally, international brands are negotiated on continuous basis. Periodical reviews are done in terms of newly acquired brands. Senior Management will decide whether the company should continue/dis continue/ enhance the investment of such brands.
Strategic Risk	Risks from competitive actions from existing market participants and new entrants	The company is strongly committed to provide high quality products of unparalleled selection of fashion right & lifestyle products in an environment that is enjoyable & welcoming, stemming from its mission. Further leveraging the company's long-term relationship with recognized suppliers. Company has invested on an upcoming ODEL department store to combat the competition & continue to be the market leader.
Strategic Risk	Failure to implement strategic plans, Revenue improvement & cost saving initiatives and undertake profitable investments.	The company integrates risk awareness directly into strategic decision making by holding regular meetings of Board of Directors in order to formalize future strategies and plans and to revise and update plans, taking in to consideration the changing circumstances of the company.

RISK CATEGORY	RISK	RISK MANAGEMENT STRATEGIES
Operational Risk (Compliance Risk)	Our business may be affected by regulatory, administrative and litigation developments.	A comprehensive internal control system is in place supplemented by regular audits from the internal audit department in collaboration with the legal division. Ensuring all statutory and legal obligations are met in all transactions. Compliances are continuously checked to ensure adherence at all types of regulations. Non-Disclosure Agreement (NDA) is implemented across all the staff levels signed & endorsed at ODEL PLC.
Operational Risk	Failure in management information systems may fail and cause disruptions in our business.	A dedicated IT team is in place to support all IT related aspects of the company. They make sure that contingency plans are in place to mitigate any short term loss on IT services. Further, the company is immensely supported by the group's comprehensive IT policy, in ensuring the safety and security of data.
Operational Risk (Reputational Risk)	Risks to the group's reputation and Brand image	The Board ensures that the company strictly complies with all relevant laws and codes of best practices and is not involved in any unethical business practices. The employees of the company are well informed regarding the code of ethics both during the process of recruitment & during their work life. The company legal division oversee any possible matter that leads to litigation & make sure that the company invariably complies with the laws & regulations. A separate division for the purpose of development of employee's skills & technical know-how is in place. The internal Audit department with the collaboration of the training division, keeps the employees informed about the processes by way of introducing & updating Standard Operating Procedures (SOPs) The buying department with the collaboration of the import department makes sure that the sources of products are of high quality & invariably caters to the fulfilment of the company's vision & mission.
Operational Risk	Risk from not being able to attract and retain skilled and experienced staff	The company has significantly invested in strengthening our human capital through the deployment of the latest Human Resource Information Systems, regular staff training & development, succession planning and fostering a performance-based culture & attractive remuneration packages. Further, the company has introduced various operational level programs such as selecting the best employee of the month, Annual Award Ceremony for the appreciation of service rendered by the employees.
Finance Risk (Exchange Rate risk)	Risks from adverse exchange rate fluctuations will results in increase in purchasing cost and lower profits.	The company's finance division linking with the group treasury division takes suitable financial measures in order to effectively manage the exchange rate risk.
Finance Risk (Liquidity risk)	Risk of not being able to meet financial commitments as and when they fall due and Delays in payments to suppliers, Negative effect on supply chain.	Making optimum use of cash inflows with the help of the group treasury division, ensuring the group-wide interest exposure is kept to a minimum & performing regular reviews of the actual performance against planned to ensure achievement of budgeted targets.
Finance Risk (Interest Rate Risk)	Changes in interest rates may have an impact on the profitability of the company	The company work closely with the parent company to negotiate favorable terms & conditions for loan facilities obtained.

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

PURPOSE

Related Party Transactions Review Committee was established by the Board during the financial year under review, in order to comply with the Listing Rules of the Colombo Stock Exchange, to govern related party transactions in respect of listed companies as per the Codes of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka (SEC) (the "Code") and Section 9 of the Listing Rules of the Colombo Stock Exchange (the "Rules"). The Board Related Party Transactions Review Committee (the "Committee") assists the Board in reviewing all related party transactions carried out by the Company and its listed companies in the Group by early adopting of the Codes of Best Practice on Related Party Transactions as issued by the Securities and Exchange Commission of Sri Lanka.

COMPOSITION

The Related Party Transactions Review Committee is appointed by the Board of Directors of the Company and the following directors were served on the Committee as at 31st March 2021.

- Dr. I C R De Silva - Independent Non-Executive Director (Chairperson)
- Mr. R P Pathirana - Independent Non-Executive Director
- Mr. H K Kaimal - Non Executive Director

The committee held 3 meetings during the financial year. Information on the attendance of these meetings by the members of the committee is given below

NAME	MEETING ATTENDED
Dr. I C R De Silva	3/3
Mr. Ranil Pathirana	2/3
Mr. H K Kaimal	3/3

The Senior Manager - Finance attended all meetings by invitation. Softlogic Corporate Services (Pvt) Ltd, Secretaries of the Company function as the Secretary to the Related Party Transactions Review Committee.

ROLES AND RESPONSIBILITIES

1. Reviewing in advance all proposed related party transactions of the Company in compliance with the Code.
2. Adopting policies and procedures to review related party transactions of the and reviewing and overseeing existing policies and procedures.
3. Determining whether related party transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the Company.
4. If related party transactions are ongoing (recurrent related party transactions) the Committee establishes guidelines for senior management to follow in its ongoing dealings with the relevant related party.
5. Ensuring that no Director of the Company shall participate in any discussion of a proposed related party transaction for which he or she is a related party, unless such Director is requested to do so by the Committee for the express purpose of providing information concerning the related party transaction to the Committee.
6. If there is any potential conflict in any related party transaction, the Committee may recommend the creation of a special committee to review and approved the proposed related party transaction.
7. Ensuring that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules/regulations are made in a timely and detailed manner.

COMPLIANCE WITH RELATED PARTY TRANSACTIONS RULES

Transactions of related parties (as defined in LKAS 24 – Related Parties Disclose) with the Company are set out in Note 33 to the Financial Statements. There are no related party transactions which exceed the threshold of 10% of the equity or 5% of the total assets, whichever is lower in relation to non-recurrent related party transactions or 10% of the gross revenue in relation to recurrent related party transactions except for the aggregate transaction value with Softlogic Holding PLC (the ultimate parent) on working capital loans of LKR 9,123,886,499/- (171% of the revenue) that were obtained and the repayments of 7,899,500,000/- (148% of the revenue) that were done during the financial year. The Company has complied with the requirements of the Listing Rules of the Colombo Stock Exchange on Related Party. The related party transactions of the Company for the financial year ended 31st March 2021 have been reviewed by the Committee and the activities and comments of the Committee have been communicated to the Board of Directors of the Company.

(Sgd.)
Dr. I C R De Silva
Chairman
Related party Transactions Review Committee

15th October 2021

REPORT OF THE AUDIT COMMITTEE

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee, appointed by and responsible to the Board of Directors, comprises of three members. The Committee is made up of members who bring their varied expertise and knowledge to effectively carry out their duties.
Members of the Committee at year end are;

Mr. Ranil Pathirana - Chairman
Non-Executive Independent Director

Dr. S. Selliah
Non-Executive Independent Director

Dr I.C.R De Silva
Non-Executive Independent Director

The functions of the Audit Committee are governed by an Audit Committee Charter, which is reviewed annually.

OBJECTIVES AND ROLE OF THE AUDIT COMMITTEE

The main objective of the Audit Committee is to assist the Board of Directors to perform its duties effectively and efficiently. Accordingly, the objectives of the Audit Committee can be described in detail as follows:

- Oversee the financial reporting process and determine that the financial reports presented are accurate, complete and are timely financial information.
- Monitor the effectiveness of the Company's risk management processes and the internal control system.
- To assess the independence of the External Auditor and monitor the performance of Internal and External Auditors.
- To recommend to the Board the appointment of External Auditors.

MEETINGS

The Committee held 4 meetings during the year under review. The Senior Manager – Finance and the Head of Internal Audit – Retail Sector attended these meetings by invitation.

The attendance of the members at these meetings is given below.

NAME	MEETING ATTENDED
Mr. Ranil Pathirana	3/4
Dr. S Selliah	4/4
Dr I.C.R De Silva	4/4

SUMMARY OF ACTIVITIES

Financial Reporting

The Committee reviewed the Financial Reporting System to determine the accuracy and timeliness of the Financial Statements published. The Committee also reviewed the interim and year-end Financial Statements prior to publication, in order to determine that the statutory requirements have been complied with and the Company's Accounting Policies have been consistently applied.

Internal Audit

The Committee monitored the effectiveness of the Internal Audit Function and the implementation of the recommendations made by the Internal Audit.

External Audit

The Committee reviewed the status of their independence.

CONCLUSION

Based on the review of reports submitted by the External and Internal Auditors, the information obtained from management the Committee having examined the adequacy and effectiveness of the internal controls which have been designed to provide a reasonable but not absolute assurance to Directors that the assets of the company are safeguarded, is satisfied that the financial position of the company is regularly monitored and that steps are being taken to continuously improve the control environment maintained within the Company.

The Audit Committee determined that Messrs Ernst & Young are independent on the basis that they do not participate in any management activity of the company and do not provide any non-audit services to the company and recommended to the Board of Directors that Messrs Ernst & Young be reappointed as statutory Auditors for the financial year ending 31st March, 2022, subject to approval by the Shareholders at the forthcoming Annual General Meeting.

(Sgd.)
Ranil Pathirana
Chairman
Audit Committee

15th October 2021

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee comprises the following Non- Executive independent Directors at the as at 31st March, 2021.

- Mr. Ranil Pathirana
- Dr. S Selliah

The responsibilities of the Remuneration Committee include,

- Ensuring the remuneration policy of the company provides a competitive, attractive and reasonable remuneration package for employees at all levels on par with industry standards giving due consideration to business performance and long term shareholder returns.
- Ensuring the remuneration package of employee is linked to performance, responsibility, expertise and contribution.
- Ensuring formal and transparent procedure in implementing the remuneration policy of the Company.

REMUNERATION COMMITTEE MEETINGS

The Committee held a meeting in relation to the year under review.

The attendance of the members at these meeting is given below.

NAME	MEETING ATTENDED
Mr. Ranil Pathirana	1/1
Dr. S Selliah	1/1

The aggregate remuneration paid to Directors is disclosed in Note 7 to the financial statements.

(Sgd.)
Ranil Pathirana
Chairman
Remuneration Committee

15th October 2021

02

FINANCIAL INFORMATION

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors of Odel PLC have pleasure in presenting to the members their Annual Report together with the Audited Financial Statements of the Company and the Group for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was fashion retailing offering its customers a total shopping experience. There have been no significant changes in the activities of the company during the year under review.

FUTURE DEVELOPMENTS

An indication of likely future developments is set out in the Chairman's Review on Pages 4 to 5.

PERFORMANCE REVIEW

The Financial Statements reflect the state of affairs of the Company and the Group. This report forms an integral part of the Annual Report of the Board of Directors.

FINANCIAL STATEMENTS

Section 168 (b) of the Companies Act require that the Annual Report of the Directors include financial statements of the Company, in accordance with Section 151 of the Act and Group financial statements for the accounting period, in accordance with section 152 of the Act. The requisite financial statements of the Company are given on Pages 50 to 120 of the Annual Report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company to reflect a true and fair view of the state of affairs. The Directors are of the view that these financial statements have been prepared in conformity with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Financial Reporting Standards. A statement in this regard is given on Page 45.

AUDITOR'S REPORT

The Auditor's Report on the financial statements is given on Page 46 of the Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are given on Pages from 61 to 71 of the Annual Report. There was no change in the accounting policies adopted from the previous year.

PROPERTY, PLANT & EQUIPMENT

The details and movement of property, plant and equipment during the year under review is set out in Note 10 to the Financial Statements on Pages from 78 to 84.

CAPITAL EXPENDITURE

The total capital expenditure incurred on the acquisition of property, plant and equipment for the Company and the Group amounted to Rs. 126 Mn (2020 – Rs. 1,245 Mn) and Rs. 375 Mn (2020 – Rs. 1,985 Mn) respectively. Details of capital expenditure and their movements are given in Note 10 to the Financial Statements on Pages from 78 to 84 of the Annual Report.

RESERVES

The reserves for the Company and Group amounted to Rs. 2,879 Mn (2020 Rs. 3,419 Mn) and Rs. 3,374 Mn (2020 – Rs. 4,533 Mn) respectively. The movement and composition of the Capital and Revenue reserves is disclosed in the Statement of Changes in Equity.

DONATIONS

During the year no donations made by the Company and Group. (2020 Rs. 152,040/- Company/Group)

STATED CAPITAL

The stated capital of the Company as at 31 March 2021 was Rs. 2,795,513,620/- represented by 272,129,431 shares. There was no change in the stated capital of the Company during the year under review.

TAXATION

The information relating to income tax and deferred taxation is given in Note 8 & 9 to the Financial Statements.

DIVIDENDS

No dividend was paid out from the profit of current financial year.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all taxes, duties and levies payable by the Company and the Group, all contributions, levies and taxes payable on behalf of, and in respect of, the employees of the Company and the Group and all other known statutory dues as were due and payable by the Company and the Group as at the date of the Statement of Financial Position have been paid or, where relevant provided for.

EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

No circumstances have arisen and no material events have occurred after the date of Statement of Financial Position, which would require adjustments to, or disclosure in the accounts other than those disclosed in Note 37 to the Financial Statements.

DIRECTORATE

The following Directors held Office during the year under review. The biographical details of the Board members are set out on Page 7 & 8.

Mr. A K Pathirage

Dr. S Selliah

Mr. H K Kaimal

Mr. R P Pathirana

Dr. I C R De Silva

Mr. J M J Perera - Appointed with effect from 29th June 2021

DIRECTORS' SHAREHOLDING

The relevant interests of Directors in the shares of the Company are as follows:

NAME OF DIRECTOR	NO. OF SHARES AS AT 31/03/2021	NO. OF SHARES AS AS AT 31/03/2020
Mr. A K Pathirage	48,292	48,292
Dr. S Selliah		
Mr. H K Kaimal		
Mr. R P Pathirana		
Dr. I C R De Silva		

DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Company for the financial year ended 31 March 2021 was Rs. 0 (2020 – Rs 3,600,000)The remuneration of the Directors is determined by the Board.

DIRECTORS' INTERESTS IN CONTRACTS AND PROPOSED CONTRACTS WITH THE COMPANY

Directors' interests in contracts, both direct and indirect are referred to in Note 33 to the Financial Statements. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

INTERESTS REGISTER

The Interests Register is maintained by the Company as per the Companies Act No. 07 of 2007. All Directors have disclosed their interests pursuant to Section 192(2) of the said Act.

MINIMUM PUBLIC HOLDING AS A CONTINUOUS LISTING REQUIREMENT

The Company is currently looking at all options available and steps to be adopted by the Company to comply with the Minimum Public Holding Requirement will be notified in due course.

SHAREHOLDERS' INFORMATION

The distribution of shareholders is indicated on Page 121 of the Annual Report. There were 5070 registered shareholders as at 31 March 2021 (31 March 2020 – 5,128).

SHARE INFORMATION

Information on share trading is given on Page 121 of the Annual Report.

INTERNAL CONTROL

The Directors are responsible for the governance of the Company including the establishment and maintenance of the Company's system of internal control. Internal control systems are designed to meet the particular needs of the organization concerned and the risk to which it is exposed and by their nature can provide reasonable, but not absolute assurance against material misstatement or loss. The Directors are satisfied that a strong control environment is prevalent within the Company and that the internal control systems referred to above are effective.

RISK MANAGEMENT

The Group's risk management objectives and policies and the exposure to risks, are set out in Page 34 of the Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance is given on Pages from 32 to 33 of the Annual Report.

THE AUDITORS

The Board Audit Committee reviews the appointment of the external auditors, as well as their relationship with the Group, including monitoring the Group's use of the auditors for non-audit services and the balance of audit and non-audit fees paid to the auditors.

The Auditors of the Company, Messrs Ernst & Young, Chartered Accountants were to be paid Rs. 1,505,175 as audit fees for the financial year ended 31 March 2021 (Paid for 2020 – 1,433,500) by the Company. Details of which are given in Note 7 to the Financial Statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company that would have an impact on their independence. The Auditors also do not have any interest in the Company.

Having reviewed the independence and effectiveness of the external auditors, the Audit Committee has recommended to the Board that the existing auditors, Messrs Ernst & Young, Chartered Accountants be reappointed. Ernst & Young have expressed their willingness to continue in office and ordinary resolution reappointing them as auditors and authorizing the Directors to determine their remuneration will be proposed at the forthcoming AGM.

GOING CONCERN

The Directors having assessed the environment within which it operates, the Board is satisfied that the Company and the Group have adequate resources to continue its operations in the foreseeable future. Therefore, the Directors have adopted the going-concern basis in preparing the financial statements.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held by electronic means on Thursday the 11th day of November 2021 at 10:00 a.m. The Notice of the Annual General Meeting is on Page 123 of the Annual Report For and on behalf of the Board

A K Pathirage
Chairman/Managing Director

H K Kaimal
Director

Softlogic Corporate Services (Pvt) Ltd
Secretaries

15th October 2021
Colombo

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The responsibilities of the Directors, in relation to the financial statements of the Company differ from the responsibilities of the Auditors, which are set out in the Report of the Auditors on Page 46.

The Companies Act No. 07 of 2007 stipulates that the Directors are responsible for preparing the Annual Report and the financial statements. Company law requires the Directors to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Company at the end of the financial year, and of the Statement of Comprehensive Income of the Company and the Group for the financial year, which comply with the requirements of the Companies Act.

The Directors consider that, in preparing financial statements set out on Pages 50 to 120 of the Annual Report, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed. The Directors confirm that they have justified in adopting the going concern basis in preparing the financial statements since adequate resources are available to continue operations in the foreseeable future.

The Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure the financial statements comply with the Companies Act No. 07 of 2007 and are prepared in accordance with Sri Lanka Accounting Standard (SLFRS/ LKAS).

They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In this regard the Directors have instituted an effective and comprehensive system of internal control.

The Directors are required to prepare financial statements and to provide the external auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their independent audit opinion.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and other known statutory dues as were due and payable by the Company as at the date of the Statement of Financial Position have been paid or, where relevant provided for, in arriving at the financial results for the year under review except as specified in Note 32 to the Financial Statements covering contingent liabilities.

COMPLIANCE WITH RELATED PARTY TRANSACTIONS RULES

Transactions of related parties (as defined in LKAS 24 – Related Parties Disclose) with the Company are set out in Note 33 to the Financial Statements. There are no related party transactions which exceed the threshold of 10% of the equity or 5% of the total assets, whichever is lower in relation to non-recurrent related party transactions or 10% of the gross revenue in relation to recurrent related party transactions except for the information disclosed in the Related Party Transaction Committee Report on The Company has complied with the requirements of the Listing Rules of the Colombo Stock Exchange on Related Party Transactions. For and on behalf of the Board of ODEL PLC

For and on behalf of the Board of
ODEL PLC

(Sgd.)
Softlogic Corporate Services (Pvt) Ltd
Secretaries

15th October 2021
Colombo

INDEPENDENT AUDITORS' REPORT

Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF ODEL PLC

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Odel PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2021, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the key audit matter
ODEL Mall Project The Group continued its planned investment in the ODEL mall project as detailed in note 12 and 17 to the financial statements. Expenditure incurred on Odell mall Project amounts to Rs. 5,694 Mn and represents 23% of the total assets of the Group, which is classified as Other non-current assets (Rs. 4841 Mn) and Inventory work-in-progress (Rs. 853 Mn) as described in notes 12 and 17 to the financial statements. This was a key audit matter due to: • the materiality of the balances. • involvement of management judgements in assessing capitalization of borrowing costs and other overhead costs as work-in-progress for the project as detailed in note 2.6.9, 12 and 17. • the estimates and assumptions applied in the determination of carrying amount and Net Realisable Value (NRV) being impacted by volatilities of future market and economic conditions. Such estimates and assumptions include forecast market price and sales of apartments.	Our audit procedures, among others, included the following: • We performed test of expenditure and apportionment of overheads including an examination of management's assessment as to whether the expenditure met the recognition and measurement criteria set forth in the accounting policies of the Group. • We inspected the loan agreement to establish that the loan has been obtained for the project and management's assessment of the timing and amount of capitalization of borrowing costs is in compliance with LKAS 23 – Borrowing Cost. • We reviewed the project status reports and the certificates issued by the project manager to understand the status of the project. • We assessed the NRV of the Inventories work -In-Progress to the selling prices contracted in the said project and the advertised sales prices. • We also assessed the adequacy of the Group's disclosures of its capitalization policy and other related disclosures in Note 2.6.9, 12 and 17.

Key Audit Matter	How our audit addressed the key audit matter
Existence and valuation of trading stock As at 31 March 2021, the carrying value of trading stock amounted to Rs. 2,786 Mn after considering a provision of Rs. 103 Mn for slow moving inventory. Existence and valuation of trading stock was a key audit matter due to: • materiality of the reported amount, which represents 11% of the Group's total assets; • trading stock being held at multiple locations comprising warehouses and showrooms island wide, the existence of which being verified through a combination of cycle counts and year end physical verifications; and • continuing effects the COVID-19 pandemic may have on the purchasing power of consumers and valuation of trading stock at lower of cost and net realizable value, thereby.	Our audit procedures, among others, included the following: • We evaluated management's process for inventory management and internal controls over the existence and valuation of trading stock, including management's procedures for identifying possible effects of Covid-19 pandemic in the determination of carrying value of inventory. • We attended inventory counts at selected locations and reconciled the count results to the inventory listings compiled by management to support reported amounts as at the reporting date. • We tested, whether inventories were stated at the lower of cost and net realizable value at the reporting date, by comparing with subsequent selling prices of inventories. • We also evaluated the adequacy of the disclosures in Note 2.6.14 and 17 to the financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Interest bearing loans and borrowings As of the reporting date, the Group reported total interest-bearing borrowings of Rs. 13,123 Mn, of which Rs.6,974 is reported as current liabilities and the balance Rs. 6,149 Mn as non-current liabilities. Interest bearing borrowings was a key audit matter due to: • magnitude of the borrowings and volume of borrowing contracts; • existence of numerous financial and non-financial covenants; and • appropriateness of disclosures including liquidity risk management, maturity profile and current vs non-current classification of such borrowings in the notes to the financial statements.	Our audit procedures included amongst others the following: • We obtained an understanding of the covenants attached to borrowings, by perusing the loan agreements. • We assessed the design and operating effectiveness of controls for recording and reporting the covenants and its compliance in relation to interest bearing borrowings. • We evaluated the Management's statements of compliance with loan covenants of the Group as of 31 March 2021. • We evaluated the management's assessment of future cash flows and its plans to meet debt service obligations, focusing on reasonableness of underlying key assumptions and judgments of the management. • We assessed the adequacy and appropriateness of the disclosures made in note 23 to the Financial Statements relating to interest bearing borrowings.

Other Information included in the 2020/21 Annual Report

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

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. We have nothing to report in this regard

Responsibilities of the management and those charged with governance

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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group'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 scepticism 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 and the Group.
- 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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

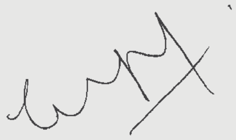
We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and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

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

Report on other legal and regulatory requirements

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

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



15th October 2021
Colombo

STATEMENT OF INCOME

	Note	Company 2021 LKR	Company 2020 LKR	Group 2021 LKR	Group 2020 LKR
Revenue	3	3,088,860,471	4,573,845,301	5,349,571,979	7,414,336,531
Cost of sales		(1,605,395,965)	(2,160,322,713)	(3,159,994,458)	(3,884,356,204)
Gross profit		1,483,464,506	2,413,522,588	2,189,577,521	3,529,980,328
Other operating income	4	324,006,788	213,353,284	111,005,416	288,750,261
Distribution expenses		(134,170,663)	(305,200,430)	(206,711,920)	(451,893,673)
Administrative expenses		(1,890,358,643)	(2,420,049,510)	(3,020,832,537)	(3,540,903,476)
Operating profit/(loss)		(217,058,012)	(98,374,068)	(926,961,518)	(174,066,560)
Finance costs	5	(805,261,531)	(724,434,212)	(1,179,812,352)	(1,077,664,344)
Finance income	6	33,837,084	48,427,757	8,812,875	11,404,500
Profit/(Loss) before tax		(988,482,459)	(774,380,523)	(2,097,960,995)	(1,240,326,404)
Income tax expense	8	221,935,445	279,491,466	412,515,437	404,776,135
Profit/(Loss) for the year		(766,547,014)	(494,889,057)	(1,685,445,558)	(835,550,269)
Attributable to:					
Owners of the parent				(1,685,445,558)	(835,550,269)
Non controlling interest				-	-
				(1,685,445,558)	(835,550,269)
Loss per share					
Basic, loss for the year attributable to ordinary equity holders of the parent	30			(6.19)	(3.07)

The accounting policies and notes on page 57 through 120 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

		Company		Group	
		For the year ended 31st March		For the year ended 31st March	
		2021	2020	2021	2020
	Note	LKR	LKR	LKR	LKR
Profit/(loss) for the year		(766,547,014)	(494,889,057)	(1,685,445,558)	(835,550,269)
Other comprehensive income					
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Actuarial loss on defined benefit plans	24	(6,886,815)	(20,551,422)	(10,828,975)	(27,474,126)
Income tax effect		1,652,836	5,754,398	1,474,270	5,943,673
		(5,233,979)	(14,797,024)	(9,354,706)	(21,530,453)
Revaluation of land and buildings	10	166,760,490	128,133,929	497,296,852	384,864,697
Income tax effect		65,882,321	(34,895,134)	38,350,328	(66,555,134)
		232,642,811	93,238,795	535,647,180	318,309,563
Other comprehensive Profit/(loss) for the year, net of tax		227,408,831	78,441,771	526,292,475	296,779,110
Total comprehensive Profit/(loss) for the year, net of tax		(539,138,182)	(416,447,286)	(1,159,153,083)	(538,771,159)
Attributable to:					
Equity holders of the parent				(1,159,153,083)	(538,771,159)
Non-controlling interests				-	-
				(1,159,153,083)	(538,771,159)

The accounting policies and notes on page 57 through 120 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31st March 2021	Note	Company 31-03-2021 LKR	Company 31-03-2020 LKR	Group 31-03-2021 LKR	Group 31-03-2020 LKR
ASSETS					
Non-Current Assets					
Property, plant & equipment	10	4,100,046,637	4,220,793,670	10,197,922,766	10,061,020,647
Investment property	11	4,145,300,000	3,827,000,000	1,730,000,000	1,638,000,000
Other non current assets	12	-	-	4,840,703,339	4,396,970,628
Intangible assets	13	925,443	1,344,188	269,717,603	324,055,249
Right of use assets	14	572,046,613	655,769,661	1,231,523,012	1,567,126,588
Investment in subsidiaries	16	3,608,434,044	3,167,642,874	-	-
Other financial assets	19	253,004,915	178,416,072	416,964,755	315,126,922
Goodwill	13	-	-	445,565,053	445,565,053
Deferred tax asset	9	-	-	333,262,276	179,871,928
		12,679,757,652	12,050,966,465	19,465,658,804	18,927,737,015
Current Assets					
Inventories	17	1,398,791,512	1,657,062,137	3,536,769,403	3,337,826,328
Trade and other receivables	18	547,833,715	422,120,252	807,608,201	860,660,230
Amounts due from related parties	22	363,541,585	328,925,537	128,844,000	102,709,975
Income Tax Refund Due		95,159,588	117,180,045	130,964,713	173,327,428
Other current assets	12	-	-	8,498,522	103,939,130
Other financial assets	19	23,188,243	19,172,889	23,188,243	19,172,889
Cash and bank balances	27	84,944,724	81,200,363	232,345,650	152,471,556
		2,513,459,367	2,625,661,223	4,868,218,733	4,750,107,527
Total Assets		15,193,217,019	14,676,627,688	24,333,877,537	23,677,844,542
EQUITY AND LIABILITIES					
Equity					
Stated capital	28	2,795,513,620	2,795,513,620	2,795,513,620	2,795,513,620
Revaluation surplus		2,420,597,618	2,187,954,807	3,825,368,099	3,289,720,919
Retained earnings		458,858,868	1,230,639,861	(451,373,517)	1,243,426,746
Total Equity		5,674,970,106	6,214,108,288	6,169,508,202	7,328,661,285
Non-Current Liabilities					
Interest bearing loans & borrowings	23	2,148,139,283	1,891,960,213	6,149,410,608	5,198,116,362
Deferred tax liabilities	9	261,897,268	573,388,327	422,258,086	750,815,211
Lease liability	15	557,130,052	512,749,093	1,103,142,862	1,346,629,682
Other non current liabilities	21	-	-	677,497,100	677,497,100
Retirement benefit liability	24	95,247,694	84,082,026	132,192,893	110,986,448
		3,062,414,297	3,062,179,659	8,484,501,549	8,084,044,803

As at 31st March 2021	Note	Company 31-03-2021 LKR	Company 31-03-2020 LKR	Group 31-03-2021 LKR	Group 31-03-2020 LKR
Current Liabilities					
Trade and other payables	25	571,234,457	598,591,059	1,474,561,601	1,174,310,624
Amounts due to related parties	26	759,901,457	158,665,537	753,290,226	350,476,506
Income tax payable		-	-	5,573,484	861,994
Interest bearing loans & borrowings	23	4,971,246,976	4,372,847,842	6,974,010,961	6,313,301,940
Lease liability	15	153,449,726	269,197,411	472,431,514	425,149,497
Contract liabilities	20	-	1,037,892	-	1,037,892
		6,455,832,616	5,400,339,741	9,679,867,787	8,265,138,454
Total Equity and Liabilities		15,193,217,019	14,676,627,688	24,333,877,537	23,677,844,542
Net asset per share		20.85	22.84	22.67	26.93

These financial statements are in compliance with the requirements of the Companies Act No 7 of 2007

S L R Piyal
Senior Manager - Finance Operations & Compliance

The board of directors is responsible for these financial statements.

Signed for and on behalf of the board by

A K Pathirage
Chairman/Managing Director

H K Kaimal
Director

The accounting policies and notes on page 57 through 120 form an integral part of the financial statements.

15th October 2021
Colombo

STATEMENT OF CHANGES IN EQUITY

Company	Revaluation Reserve	Stated Capital	Retained Earnings	Total Equity
	LKR	LKR	LKR	LKR
As at 1st April 2019	2,094,716,013	2,795,513,620	1,740,325,942	6,630,555,575
Net profit/loss for the year	-	-	(494,889,057)	(494,889,057)
Other comprehensive profit/loss	93,238,795	-	(14,797,024)	78,441,771
	2,187,954,808	2,795,513,620	1,230,639,861	6,214,108,289
As at 31st March 2020	2,187,954,807	2,795,513,620	1,230,639,861	6,214,108,288
Net profit/loss for the year	-	-	(766,547,014)	(766,547,014)
Other comprehensive profit/loss	232,642,811	-	(5,233,979)	227,408,831
	2,420,597,618	2,795,513,620	458,858,868	5,674,970,107
As at 31st March 2021	2,420,597,618	2,795,513,620	458,858,868	5,674,970,106

Group	Attributable to equity holders of the parent			
	Revaluation Reserve	Stated Capital	Retained Earnings	Total Equity
	LKR	LKR	LKR	LKR
As at 1st April 2019	2,971,411,356	2,795,513,620	2,100,507,468	7,867,432,444
Net profit/loss for the year	-	-	(835,550,269)	(835,550,269)
Other comprehensive profit/loss	318,309,563	-	(21,530,453)	296,779,110
	3,289,720,919	2,795,513,620	1,243,426,746	7,328,661,285
As at 31st March 2020	3,289,720,919	2,795,513,620	1,243,426,746	7,328,661,285
Net profit/loss for the year	-	-	(1,685,445,558)	(1,685,445,558)
Other comprehensive profit/loss	535,647,180	-	(9,354,706)	526,292,475
	3,825,368,099	2,795,513,620	(451,373,517)	6,169,508,202
As at 31st March 2021	3,825,368,099	2,795,513,620	(451,373,517)	6,169,508,202

The accounting policies and notes on page 57 through 120 form an integral part of the financial statements.

STATEMENT OF CASHFLOWS

	Note	Company 2021 LKR	Company 2020 LKR	Group 2021 LKR	Group 2020 LKR
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES					
Net profit before Income tax expense		(988,482,459)	(774,380,523)	(2,097,960,995)	(1,240,326,404)
Adjustments for					
Depreciation	10	413,186,531	363,385,888	735,237,625	590,382,355
Intangible assets amortization	13	418,745	414,823	54,337,646	69,525,675
Amortization of right of use assets	14	214,778,837	301,620,489	475,801,906	521,643,962
Finance costs	5	805,261,531	724,434,212	1,179,812,352	1,077,664,345
Lease Interest	5	-	-	-	15,336
Finance income	6	(33,837,084)	(48,427,757)	(8,812,875)	(11,404,500)
Fair value (gain)/loss on investment property	4	(318,300,000)	(213,000,000)	(92,000,000)	(274,000,000)
(Profit)/loss on disposal of property, plant & equipment	4	171,591	1,281,812	195,342	1,281,812
Provision for define benefit plans	24.1	19,801,715	16,121,528	28,118,203	22,795,993
Operating profit before working capital changes		112,999,407	371,450,472	274,729,204	757,578,574
Decrease/(Increase) in inventories		258,270,624	289,142,995	(198,943,075)	461,132,467
Decrease/(Increase) in trade and other receivables		(125,713,463)	294,494,429	53,052,029	454,371,549
Decrease/(Increase) in dues from related parties		(34,616,048)	56,660,476	(26,134,026)	(3,965,025)
Decrease/(Increase) in other non current/current assets		-	-	948,988,709	205,973,274
Decrease/(Increase) in other current financial assets		(78,604,198)	10,447,005	(105,853,188)	(126,263,845)
(Decrease)/Increase in dues to related parties		601,235,920	(541,579,064)	402,813,721	165,881,120
(Decrease)/Increase in trade and other payables		(27,356,602)	(103,945,472)	300,250,977	(84,161,199)
(Decrease)/Increase in other non current liabilities		-	-	-	265,468,083
(Decrease)/Increase in contract liabilities		(1,037,892)	(2,748,243)	(1,037,892)	(42,717,025)
Cash generated from operations		705,177,748	373,922,599	1,647,866,459	2,053,297,972
Finance costs paid		(711,993,666)	(637,216,878)	(962,967,238)	(859,661,341)
Defined benefit plan costs paid	24	(15,522,860)	(13,538,829)	(17,740,732)	(15,239,863)
Income tax paid/Dividend tax paid		-	(1,059,756)	17,466,758	(65,448,715)
Net cash from/(used in) operating activities		(22,338,777)	(277,892,865)	684,625,248	1,112,948,053

STATEMENT OF CASHFLOWS

		Company		Group	
		2021	2020	2021	2020
	Note	LKR	LKR	LKR	LKR
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Acquisition of property, plant & equipment	10	(125,850,600)	(1,245,402,067)	(375,038,236)	(1,984,759,677)
Investment in equity shares of subsidiaries	16	(440,791,170)	(370,000,000)	-	-
Acquisition of intangible assets	13	-	(400,000)	-	(400,000)
Investment in capital projects	12.1	-	-	(1,297,280,812)	(1,800,483,696)
Finance income	6	33,837,084	10,286,283	8,812,875	11,404,500
Proceed from disposal of fixed assets		-	10,065,346	-	10,065,346
Net cash flows from/(used in) investing activities		(532,804,686)	(1,595,450,438)	(1,663,506,174)	(3,764,173,528)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Repayment of interest bearing borrowings	23	(8,904,291,576)	(6,723,230,710)	(9,246,960,054)	(7,157,964,777)
Proceeds from interest bearing borrowings	23	9,654,501,635	8,972,864,187	10,848,666,458	10,309,923,640
Repayment of lease rentals		-	-	-	(394,623)
Operating lease rent paid		(295,690,380)	(350,714,212)	(553,248,248)	(580,393,874)
Net cash flows from/(used in) financing activities		454,519,679	1,898,919,265	1,048,458,155	2,571,170,367
Net increase/(decrease) in cash and cash equivalents		(100,623,784)	25,575,962	69,577,230	(80,055,108)
Cash and cash equivalents at the beginning of the year		(584,409,463)	(609,985,425)	(967,875,607)	(887,820,498)
Cash and cash equivalents at the end of the year	27	(685,033,247)	(584,409,463)	(898,298,376)	(967,875,607)

The accounting policies and notes on page 57 through 120 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Odel PLC is a limited liability company incorporated and domiciled in Sri Lanka whose shares are publicly traded in the Colombo Stock Exchange. The registered office of Odel PLC is located at No 475/32, Kotte Road, Rajagiriya. Odel PLC is a subsidiary of Softlogic Retail Holdings (Pvt) Limited and Softlogic Holding PLC is the ultimate parent. The details of subsidiary companies are as follows.

Subsidiaries

Odel Apparels (Pvt) Ltd

Odel Apparels (Pvt) Ltd is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No.475/32, Kotte Road, Rajagiriya and the principal place of business is situated at No. 71/3, Kamatawatte Road, Rajagiriya.

Odel Properties (Pvt) Ltd.,

Odel Properties (Pvt) Limited is a limited liability company incorporated and domiciled in Sri Lanka. The registered office and principle place of business of the Company is located at No. 475/32, Kotte Road Rajagiriya.

Odel Lanka (Pvt) Ltd.

Odel Lanka (Pvt) Limited is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No.475/32, Kotte Road, Rajagiriya and the principal place of business is situated at 271, Kaduwela Road, Thalangama, Battaramulla.

Odel Information Technology Services (Pvt) Ltd

Odel Information Technology Services (Pvt) Ltd is a limited liability company incorporated and domiciled in Sri Lanka. The registered office and principle place of business of the Company is located at No.475/32, Kotte Road Rajagiriya.

Softlogic Brands (Pvt) Ltd

Softlogic Brands (Pvt) Ltd is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 14, De Fonseka Place, Colombo 05.

Odel Properties One (Pvt) Ltd

Odel Properties One (Pvt) Ltd is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No 475/32, Kotte Road, Rajagiriya and the principal place of business is situated at No 15, C.W.W Kannangara Mawatha, Colombo 7.

Odel Restaurants (Pvt) Ltd

Odel Restaurants (pvt) Ltd is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No 475/32, Kotte Road, Rajagiriya.

Cotton Collections (Pvt) Ltd

Cotton Collections (Pvt) Ltd is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No 475/32, Kotte Road, Rajagiriya.

BSL International (Pvt) Ltd

The company was liquidated on 18th January 2020

Greenfield Trading (Pvt) Ltd

The company was liquidated on 18th January 2020

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the group were as follows;

Parent Company

During the year, the principal activities of the Company were to carry out fashion retail activities and to earn rental income from letting retail space.

Subsidiaries

Odel Apparels (Pvt) Ltd

During the year, the principal activities of the Company were to manufacture and supply of the garments to the group.

Odel Properties (Pvt) Ltd

During the year, the principal activities of the Company were to carry out real estate activities in relation to retail business

Odel Lanka (Pvt) Ltd

Principal activity of the Company was to hold its property for capital appreciation purpose.

Odel Information Technology Services (Pvt) Ltd

No activities were carried out during the year

Softlogic Brands (Pvt) Ltd

The principal activities of the Company were to import and retailing branded apparels.

Odel Properties One (Pvt) Ltd

The principal activity of the Company is involving the developing, owning, managing, operating, selling, leasing and renting of a mixed development project, which is under construction during the year

Odel Restaurants (Pvt) Ltd

The Principal activity of the Company were to manage restaurants.

Cotton Collections (Pvt) Ltd

The principal activities of the Company were to carry out retailing and manufacturing of fashion retail items.

1.3 Date of Authorization for issue

The consolidated financial statements of Odel PLC and Its Subsidiaries for the year ended 31st March 2021 were authorized for issue in accordance with a resolution of the directors on 15th October 2021.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements of the group (Statement of Income, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement together with Accounting Policies and Notes) as at 31st March 2021 are prepared in accordance with Sri Lanka Accounting Standards (SLFRSs) as laid down by the Institute of Chartered Accountants of Sri Lanka.

2.1 Basis of Preparation and Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for land and buildings and Financial Instruments that have been measured at fair value. The preparation and presentation of these financial statements are in compliance with the Companies Act No.07 of 2007.

Consolidated financial statements are presented in Sri Lankan Rupees except when otherwise indicated.

2.2 Going Concern

The Directors have made an assessment of the Group's and the Company's ability to continue as a going concern and is satisfied that respective entities have the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon those entities' ability to continue as a going concern. Therefore, the financial Statements continue to be prepared on the going concern basis.

In arriving at the above conclusion, following factors together counter actions of the management stated below were duly considered by the management:

1) Net current liability position of Rs. 4,812 Mn reported by the Group, mainly resulting from/contributed by Company (i.e. Fashion retail business of the Group), which reported net current liability position of Rs. 3,942 Mn;

2) Net losses for the year of Rs.766 Mn reported by the Company and parallelly, net losses of 1,685 Mn reported by the group, resulting from weakened business operations of the year due to negative effects of external factors such as global COVID-19 pandemic which limited immensely the local and foreign customers' shopping practices; and

3) The existing and anticipated effects of COVID-19 pandemic on the operations of the Group and the management has considered the potential downsides that the COVID -19 pandemic could bring to the business operations of the Group, in making this assessment.

Management, in consultation with business expertise and various actions are being taken to gain cost and operational efficiencies in the whole supply chain of the business operation. Management expects these actions to be implemented during the next financial year.

The Group is in the process of evaluating various options including some restructuring activities to minimise the existing interest-bearing borrowings. Negotiations are ongoing with the loan providers to convert certain of short-term facilities to long term loans and for capital deferment arrangements. Management is confident of liquidity risk management aspects with the long-term funding lines that the company and Group has secured as of the reporting date.

Considering the above action plans and the status of those as of the reporting date, the Directors are confident that the Group and the Company will continue its operation in the foreseeable future and they do not intend either to liquidate or to cease trading.

2.3 Comparative Information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements. The presentation and previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.4 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the group and its subsidiaries as at 31st March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Significant Judgements, Estimates and Assumptions

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, 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 affected in future period.

Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgments and 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 if the revision affects only that period and any future periods.

In the process of applying the Company's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful life of Property and finite Intangible Assets

Management assigns useful lives and residual values to the depreciable property based on the intended use of assets and the economic lives of these assets. Subsequent changes in circumstances such as improvements or utilization of the assets concerned could result in the actual useful lives or residual values differing from initial estimates. Management reviews the residual values and useful lives of major items of depreciable property periodically. Refer Note 2.5.7 for useful lives used in depreciating Property. Useful life of finite intangible assets such as Brand Names have been estimated based on the average period of contractual right that the company is entitling to enjoy the future economic benefits. Refer Note 2.5.11 for useful lives used in Intangible assets.

Revaluation of Property Plant and Equipment and Investment Properties.

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 March 2021 for investment properties and Property plant and Equipment. Comparison method and Open market value method was used to assess the fair value of Investment Properties. In addition, it measures the Land and Buildings at revalued amounts, with changes in fair value being recognized in OCI. Land and Buildings were valued by reference to transactions involving properties of a similar nature, location and condition. Comparison method, DRC method, Investment method and Check method- Residual method were used to assess the fair value of Land & Buildings. For more details refer Note 10.3.1, 10.3.2 & Note 11.3.1, 11.3.2.

Retirement Benefit Obligations

The cost of defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the assumptions used are provided in Note 24

Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Impairment of Goodwill

Potential impairment of goodwill on business combination is periodically tested. The recoverable amounts of the CGU have been determined based on the value in use (VIU) calculation. value in use calculated based on the discounted cash flows of CGU. The recoverable amount of the Branded Apparel CGU, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14%. The key assumptions used to determine the recoverable amount for the CGU is disclosed and further explained in note 13.4.

Deferred Tax

Deferred tax liability as reflected in Note 09 are recognized for unused tax losses to the extent that is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with the future tax planning strategies.

Estimating stand-alone selling price – loyalty programme

The Group estimates the stand-alone selling price of the loyalty points awarded under the loyalty Points programme. The stand-alone selling price of the loyalty points issued is calculated by multiplying to the estimated redemption rate and to the monetary value assigned to the loyalty points. In estimating the redemption rate, the Group considers breakage which represents the portion of the points issued that will never be redeemed. The Group applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated annually and the liability for the unredeemed points is adjusted accordingly.

Segregation of Odell mall project work in progress

The Group segregates the cost incurred for the Odel Mall mix development project and it classifies as other non-current assets and inventory. The cost incurred for project work in progress which relating to the residential apartments work in progress segregates from Other non-current assets based on net floor area, element of work and functional allocation of the project.

2.6 Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

2.6.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value either in profit or loss or as a change to other comprehensive income (OCI). If the contingent consideration is not within the scope of SLFRS 9, it is measured in accordance with the appropriate SLFRS.

Contingent consideration that is classified as equity is not remeasured and subsequent settlement is measured at fair value with changes in fair value either in a profit or loss or as a change to the other comprehensive income (OCI). If the contingent consideration is not within the scope of SLFRS 9, it is measured in accordance with the appropriate SLFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash- generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.6.2 Foreign currency translation

The Group's consolidated financial statements are presented in Sri Lankan Rupees, which is also the parent company's and its subsidiary companies functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

2.6.3 Revenue recognition

Revenue from contracts with customers

Under SLFRS 15 - Revenue from contracts with customers with effected from 01 April 2018, revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.:

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of goods, the Group considers the effects of variable and consideration payable to the customer (if any).

Rendering of services

Under SLFRS 15 - Revenue from contracts with customers, revenue from service performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation because the customer simultaneously receives and consumes the benefit ts provided by the Group.

Variable Consideration

If the consideration in a tenant contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Loyalty Point Programme.

The Group has loyalty point programmes, in several sector, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

2.6.3.1 Other Income

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

Revenue is recognised when the Group's right to receive the payment is established.

2.6.4 Expenditure recognition

a) Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

b) For the purpose of presentation of the Consolidated Income Statement the Directors are of the opinion that the function of expenses method presents fairly the elements of the Company's performance, and hence such presentation method is adopted.

2.6.5 Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

IFRIC 23 Uncertainty over income tax treatments

The IFRIC 23 interpretation on Uncertainty over income tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes specifically determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

2.6.6 Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.6.7 Property, plant and equipment

Initial recognition

Property, plant and equipment is initially stated at cost except for land and buildings, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent Measurement

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings	Over 40 Years
• Lease hold buildings	Over the lease period
• Fixtures and Fittings	Over 10 to 20 Years
• Fixtures – air condition	Over 10 Years
• Office Equipment	Over 10 Years
• Furniture	Over 10 Years
• Computer Equipment	Over 05 Years
• Motor vehicles	Over 05 Years

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.6.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2.6.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.6.10 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise. Fair values are evaluated annually by an accredited external, independent valuer, In accordance with SLFRS 13.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change.

2.6.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

Amortization is calculated on a straight-line basis over the estimated useful lives of the asset as follows:

- Computer Software 3 - 5 Years
- Brand Names 5 – 10 Years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

2.6.12 Financial instruments — initial recognition and subsequent measurement.

(i) Financial Assets

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Subsequent Measurement of Financial Assets

The Company classifies its financial assets into the following measurement category:

- Financial Assets measured at amortised cost.

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

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

At the Inception, the Financial Assets are Classified in One of the Following Categories:

- Financial assets measured at fair value through profit or loss
- Financial assets measured at amortised cost
- Financial assets measured at amortised cost - loans and advances
- Financial assets measured at amortised cost - debt instruments
- Financial assets measured at fair value through Other Comprehensive Income

At the Inception, the Financial Liabilities are Classified in One of the Following Categories:

- Financial liabilities at amortised cost
- Financial liabilities at amortised cost - other instruments

Initial Measurements of Financial Instruments

Financial assets and liabilities are initially measured at their fair value plus transaction cost, except in the case of financial assets and liabilities recorded at fair value through profit or loss.

"Day One" Profit or Loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Company immediately recognises the difference between the transaction price and fair value (a "Day One" Profit or Loss) in the Income Statement. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in the Income Statement over the life of the instrument.

Financial Assets measured at Amortised Cost Debt Instruments

Investments in debt instruments are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using Effective Interest Rate (EIR). The measurement of credit impairment is based on the three-stage expected credit loss model described below.

(ii) Reclassification of Financial Assets

The Company reclassifies its financial assets when, and only when, the Company changes its business model for managing financial assets. If the Company reclassifies financial assets which were measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, the Company applies the reclassification prospectively from the reclassification date. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

If the Company reclassifies a financial asset out of the amortised cost measurement category and in to the fair value through profit or loss measurement category, its fair value is measure at the reclassification date. Any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognized in Profit or Loss.

If the Company reclassifies a financial asset out of the amortised cost measurement category and into the fair value through other comprehensive income measurement category, its fair value is measured at the reclassification date, any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognized in Other Comprehensive Income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

Impairment of financial assets

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of SLFRS 9 are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other financial liabilities. The Company determines the classification of its financial liabilities at initial recognition

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities classified as 'fair value through profit or loss' will be subsequently measured at fair value and financial liabilities classified as 'other liabilities' will be subsequently measured at amortized cost.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable for the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.6.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous evaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.6.14 Inventories

Inventories are stated at the lower of cost and net realizable value. The management primarily determines cost of inventories using the weighted average method. The management estimates the net realizable value of inventories based on assessment of receipt of committed sales prices and provide for excess and obsolete inventories based on historical usage, estimated future demand and related pricing. In determining excess quantities, the management considers recent sales activities, related margin and market positioning of its products. However, factors beyond its contract, such as demand levels, technological advances and pricing competition, could change from period to period. Such factors may require the Group to reduce the value of its inventories.

Finish Goods - Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Purchase cost on an actual basis
- Closing balance of the inventory on weighted average cost

Inventory work-in-progress – At actual cost

Actual cost includes cost of direct materials, direct labour and an appropriate proportion of directly attributable cost including the portion of borrowing cost incurred for the project.

Other inventories – At actual cost

2.6.15 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.6.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.6.17 Construction work in progress

Construction work in progress has been classified to state as other non-current assets at cost during the construction period based on the value of work certified.

2.6.18 Post-employment benefits

Defined Benefit Plan - Gratuity:

Gratuity is a post-employment benefit plan. Provisions have been made for retirement gratuities from the first year of service for all employees in conformity with LKAS 19. However, under the Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service, The Company is liable to pay gratuity in terms of relevant statute. In order to meet this liability, the Group uses an actuarial valuation method in accordance with LKAS 19.

The cost of providing benefits under gratuity is determined using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of comprehensive income. The defined benefit liability comprises the present value of the defined benefit obligation using a discount rate based on market yields at the end of reporting period on government bonds of a similar tenure as the estimated term of the gratuity obligation. Current service cost and the interest cost is recognized in the Income statement.

The gratuity benefits of the Group in unfunded.

Defined Contribution Plans

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively. Related expenditure is recognized in the income statement.

2.6.19 Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term

Lease liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced

The Company lease liabilities are included in Note 22 to the Financial Statements.

2.7 Changes in Accounting Policies and Disclosure

The amendments and improvements which are effective for annual periods beginning on or after 1 January 2020 do not expect to have a significant impact on the Group's financial statements.

2.8 Standards Issued But Not Yet Effective

The amended standards that are issued, but not yet effective up to the date of issuance of these financial statements are disclosed below. The Group intends to adopt these amended standards, if applicable, when they become effective.

Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 – Interest Rate Benchmark Reform (Phase1&2)

The amendments to SLFRS 9 & LKAS 39 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. IBOR reforms Phase 2 include number of reliefs and additional disclosures. Amendments supports companies in applying SLFRS when changes are made to contractual cashflows or hedging relationships because of the reform. These amendments to various standards are effective for the annual reporting periods beginning on or after 01 January 2021.

Amendments to SLFRS 16 - COVID – 19 Related Rent Concessions

The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 Pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from Covid-19 related rent concession the same way it would account for the change under SLFRS16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 01 June 2020, with early application permitted.

Amendments to SLFRS 3

The amendments update SLFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to SLFRS 3 a requirement that, for obligations within the scope of LKAS 37, an acquirer applies LKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to LKAS 16

In March 2021, the ICASL adopted amendments to LKAS16-Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to LKAS 37

In March 2021, the ICASL adopted amendments to LKAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

Amendments to LKAS 1: Classification of Liabilities as Current or Non-current

In March 2021, ICASL adopted amendments to paragraphs 69 to 76 of LKAS 1 which specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively.

Financial statements of the Company is not expected to have a material impact from amendments to /new standards, while Management is in the process of assessing the probable impacts from the other new &/or amended standards.

NOTES TO THE FINANCIAL STATEMENTS

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disagregated revenue information

Set out below is the disaggregation of the revenue from contracts with customers

	Company		Group	
	For the year ended 31st March		For the year ended 31st March	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Type of goods or service				
Sales - Fashionable Retail	2,613,598,145	4,049,389,589	5,115,241,547	7,184,589,175
Rental income	399,556,161	411,138,487	203,135,327	194,672,651
Advertising income	-	264,286	-	264,286
Net Income from Restaurant (3.1)	-	-	3,945,664	5,917,559
Commission income	-	-	25,610,567	26,752,034
Service income	75,706,165	113,052,939	1,638,875	2,140,826
Total revenue from contracts with customers	3,088,860,471	4,573,845,301	5,349,571,979	7,414,336,531
Timing of revenue recognition				
Goods transferred at a point in time	2,613,598,145	4,049,389,589	5,115,241,547	7,184,589,175
Service transferred over time	475,262,326	524,455,712	234,330,432	229,747,356
Total revenue from contracts with customers	3,088,860,471	4,573,845,301	5,349,571,979	7,414,336,531

3.1 Net Restaurant Income

Sales - Restaurant	-	-	14,811,555	42,090,807
Less - Management fees	-	-	(10,865,890)	(36,173,248)
Net Income	-	-	3,945,664	5,917,559

4 OTHER OPERATING INCOME

	Company		Group	
	For the year ended 31st March		For the year ended 31st March	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Fair value gain/(loss) on investment property	318,300,000	213,000,000	92,000,000	274,000,000
Profit on disposal of property, plant & equipment	(171,591)	(1,281,812)	(195,342)	(1,281,812)
Sundry income	5,878,379	1,635,096	19,200,758	4,791,093
Exchange gain / (loss)	-	-	-	11,240,980
	324,006,788	213,353,284	111,005,416	288,750,261

5 FINANCE COSTS

	Company		Group	
	For the year ended 31st March		For the year ended 31st March	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Interest on overdrafts	50,449,827	70,867,695	70,842,194	101,692,234
Interest on loans & borrowings	550,357,389	472,699,728	698,968,131	725,973,232
Interest on intercompany borrowings	101,728,568	60,451,653	183,699,030	29,617,195
Interest on leases	-	-	-	15,336
Interest on operating lease (ROU)	93,267,865	118,051,792	216,845,115	218,003,004
Guarantee fees	9,457,882	2,363,344	9,457,882	2,363,344
	805,261,531	724,434,212	1,179,812,352	1,077,664,344

6 FINANCE INCOME

	Company		Group	
	For the year ended 31st March		For the year ended 31st March	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Interest income	437,348	1,996,771	968,556	3,114,988
Fair value adjustment on refundable deposits	7,844,319	8,289,512	7,844,319	8,289,512
Intercompany interest	25,555,417	38,141,474	-	-
	33,837,084	48,427,757	8,812,875	11,404,500

7 PROFIT BEFORE TAX

	Company		Group	
	For the year ended 31st March		For the year ended 31st March	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Administration Expenses				
Directors' emoluments	-	3,600,000	-	3,600,000
Depreciation	413,186,531	363,385,888	735,237,625	590,382,355
Provision for doubtful debt	-	-	-	-
Amortisation of intangible assets	418,745	414,823	54,337,646	69,525,675
Amortisation of ROU assets	214,778,837	301,620,489	475,801,906	521,643,962
Personnel costs includes -				
- Gratuity	19,801,714	16,130,524	28,118,203	22,797,777
- EPF & ETF	65,650,437	73,511,650	93,570,125	102,223,244
- Other staff costs	491,844,876	650,937,784	547,404,276	879,989,650
Donations	-	152,040	-	152,040
Audit fees	1,505,175	1,433,500	2,898,006	2,708,968

8 INCOME TAX EXPENSE

	Company		Group	
	For the year ended 31st March		For the year ended 31st March	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Current income tax				
Current tax expense on ordinary activities for the year	22,020,457	-	31,583,372	6,222,835
Under/(over) provision of current taxes in respect of prior year	-	-	(1,975,933)	(564,617)
Dividend tax	-	-	-	-
Deferred income tax				
Deferred taxation charge /(reversal)	(243,955,902)	(279,491,466)	(442,122,877)	(410,434,354)
Income tax expense/(income) reported in the income statement	(221,935,445)	(279,491,466)	(412,515,437)	(404,776,135)
Statement of Other Comprehensive Income				
Deferred income tax related to items charged or credited directly to equity during the year				
Net gain on revaluation of building	(65,882,321)	34,895,134	(33,044,321)	66,555,134
Actuarial losses on defined benefit plans	(1,652,836)	(5,754,398)	(1,474,270)	(5,943,673)
Income tax charged/(reversed) directly to OCI	(67,535,157)	29,140,736	(34,518,591)	60,611,461

8.1 A Reconciliation between tax expenses and the product of accounting profit multiplied by the statutory tax rate is as follows

	Company		Group	
	For the year ended 31st March		For the year ended 31st March	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Accounting profit before tax	(988,482,459)	(774,380,523)	(2,097,960,995)	(1,240,326,404)
	(988,482,459)	(774,380,523)	(2,097,960,995)	(1,240,326,404)
Income tax rate of 24% (2020 : 24% & 28%)	(237,235,790)	(216,826,546)	(503,510,639)	(347,291,393)
Under/(over) provision for previous year	-	-	(1,975,933)	(564,617)
Allowable expenses	(174,493,021)	(273,556,969)	(239,823,268)	(417,295,388)
Income exempt from tax	(76,392,000)	(59,640,000)	(76,408,133)	(55,180,689)
Non deductible expenses	213,695,678	245,489,091	426,669,773	431,032,015
Tax loss claimed	296,445,590	304,534,424	424,655,640	394,958,290
Effect on deferred tax	(243,955,902)	(279,491,466)	(442,122,877)	(410,434,354)
	(221,935,445)	(279,491,466)	(412,515,437)	(404,776,136)
The effective income tax rate	22.45%	36.09%	19.66%	32.63%
Income tax expense reported	(221,935,445)	(279,491,466)	(412,515,437)	(404,776,135)

The Company and its subsidiary are liable to pay income tax at the rate of 24% of its taxable profits in accordance with the provisions of the Inland Revenue Act, No 24 of 2017 and subsequent amendments thereto. In the current year, there is no income tax expense recognised in the company for the trading income due to the tax losses produced and the tax expense recognised on interest income has been off set with the taxable loss from trading.

9 DEFERRED TAX ASSETS ,LIABILITIES AND INCOME TAX RELATES TO THE FOLLOWING;

9.1 Statement of Financial Position

	Company		Group	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
	LKR	LKR	LKR	LKR
Deferred Tax Liability				
Capital allowances for tax purposes	38,438,421	84,084,973	65,501,142	143,316,165
Revaluation of property, plant and equipment	775,019,354	840,901,675	806,855,387	840,901,675
Fair valuation on investment property	90,530,000	58,700,000	223,012,066	228,528,448
	903,987,775	983,686,648	1,095,368,594	1,212,746,288
Deferred Tax Assets				
Defined benefit plans	(22,859,447)	(23,542,967)	(31,439,548)	(31,630,276)
Provision for bad debts	-	-	(618,356)	(721,415)
Deferred revenue	(709,775)	(290,610)	(709,775)	(290,610)
Tax losses	(573,853,614)	(345,663,099)	(865,833,295)	(518,906,700)
Net impact on ROU asset / Operating lease liability	(33,247,960)	(35,329,516)	(83,238,955)	(68,980,977)
Provision for Inventory	(11,419,713)	(5,472,130)	(24,532,856)	(21,273,026)
	(642,090,508)	(410,298,321)	(1,006,372,785)	(641,803,004)
Net Deferred Tax Liability / (Assets)	261,897,268	573,388,327	88,995,809	570,943,284
9.1.1 Total net deferred tax liability by entities	261,897,268	573,388,327	422,258,086	750,815,211
9.1.2 Total net deferred tax asset by entities	-	-	(333,262,276)	(179,871,928)
	261,897,268	573,388,327	88,995,810	570,943,283

9.2 Statement of Income /Comprehensive Income

	Company		Group	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
	LKR	LKR	LKR	LKR
Deferred Tax Liability				
Capital allowances for tax purposes	(45,646,552)	29,830,248	(77,815,023)	(66,028,435)
Revaluation of property, plant and equipment	(65,882,321)	34,895,136	(34,046,289)	34,895,136
Fair valuation on investment property	31,830,000	21,300,000	(5,516,382)	158,728,448
	(79,698,873)	86,025,384	(117,377,694)	127,595,149
Deferred tax assets				
Defined benefit plans	683,520	(6,477,554)	190,728	(10,118,363)
Provision for Bad Debts	-	-	103,059	-
Deferred revenue	(419,165)	367,003	(419,165)	367,003
Tax losses	(228,190,514)	(298,164,354)	(346,926,595)	(395,806,339)
Net impact on ROU asset / Operating lease liability	2,081,557	(35,329,516)	(14,257,978)	(68,980,977)
Provision for Inventory	(5,947,583)	3,228,309	(3,259,830)	(3,580,104)
	(231,792,186)	(336,376,112)	(364,569,781)	(478,118,780)
Deferred income tax charge / (reverse)	(311,491,059)	(250,350,728)	(481,947,474)	(350,523,631)
	-	-	-	-
Reported in the Statement of Income	(243,955,902)	(279,491,466)	(442,122,877)	(410,434,354)
Reported in the Statement of Comprehensive Income	(67,535,157)	29,140,736	(39,824,597)	60,611,461

9.3 The Company has unutilised tax losses to recognise a Deferred Tax Asset up to the extent of the Deferred Tax Liability arising from taxable temporary differences in the Company and will have taxable profits under the New Inland Revenue Act which is effective from 01st April 2018.

Further, the deferred tax liability has been recognised on the capital gain on investment assets and business assets at the applicable rates as per the new Inland Revenue Act.

10 PROPERTY, PLANT & EQUIPMENT

10.1 Company

10.1.1 Gross carrying amounts

At cost	Balance As at 1-Apr-20	Incurred during the year/ Transfers In	Revaluation	Disposals	Transfer Out	Balance As at 31-Mar-21
	LKR	LKR	LKR	LKR	LKR	LKR
Landscaping	884,560	-	-	-	-	884,560
Building - leasehold	928,820,829	78,508,979	-	(9,257,067)	-	998,072,741
Fixtures and fittings	1,757,334,323	26,467,484	-	(2,341,793)	-	1,781,460,014
Fixtures - air conditions	89,114,479	2,902,285	-	-	-	92,016,764
Furniture	51,556,302	426,953	-	(1,705,451)	-	50,277,804
Computer equipments	36,669,410	5,594,648	-	-	-	42,264,058
Office equipment- other	397,122,979	7,522,655	-	(2,620,964)	-	402,024,670
Motor vehicles	37,508,928	6,800,000	-	-	-	44,308,928
	3,299,011,810	128,223,004	-	(15,925,275)	-	3,411,309,539

At valuation	Balance As at 1-Apr-20	Transfer from Acc : Depreciation	Revaluation	Disposals	Transfer Out	Balance As at 31-Mar-21
	LKR	LKR	LKR	LKR	LKR	LKR
Land	1,794,000,000	-	150,500,000	-	-	1,944,500,000
Building	267,500,000	(36,760,490)	16,260,490	-	-	247,000,000
	2,061,500,000	(36,760,490)	166,760,490	-	-	2,191,500,000

10.1.2 In the Course of Constructions

	Balance As at 1-Apr-20	Transfer In	Revaluation	Disposals	Transfer Out	Balance As at 31-Mar-21
	LKR	LKR	LKR	LKR	LKR	LKR
Capital work in progress	6,960,687	125,850,600	-		(128,223,004)	4,588,283
Total gross carrying amount	6,960,687	125,850,600	-	-	(128,223,004)	4,588,283
Total gross carring value	5,367,472,497	217,313,114	166,760,490	(15,925,275)	(128,223,004)	5,607,397,822

10.1.3 Depreciation

At Cost	Balance As at 1-Apr-20	Acquisitions/ Transfers	Charge for the year	Disposals	Revaluation/ Transfer Out	Balance As at 31-Mar-21
	LKR	LKR	LKR	LKR	LKR	LKR
Landscaping	884,560	-	-	-	-	884,560
Building - leasehold	140,991,560	-	76,122,377	(9,257,067)	-	207,856,870
Fixtures and fittings	689,495,974	-	235,510,709	(2,308,348)	-	922,698,335
Fixtures - air conditions	21,943,816	-	15,926,990	-	-	37,870,806
Furniture	41,161,923	-	3,088,734	(1,592,388)	-	42,658,269
Computer equipments	15,480,156	-	10,488,486	-	-	25,968,642
Office equipment- other	208,127,170	-	35,353,194	(2,595,881)	-	240,884,483
Motor vehicles	21,669,840	-	6,859,380	-	-	28,529,220
	1,139,754,999	-	383,349,870	(15,753,684)	-	1,507,351,185

At valuation	Balance As at 1-Apr-20	Acquisitions/ Transfers	Charge for the year	Disposals	Revaluation/ Transfer Out	Balance As at 31-Mar-21
	LKR	LKR	LKR	LKR	LKR	LKR
Building	6,923,828	-	29,836,662	-	(36,760,490)	-
	6,923,828	-	29,836,662	-	(36,760,490)	-
Total depreciation	1,146,678,827	-	413,186,531	(15,753,684)	(36,760,490)	1,507,351,185

10.1.4 Net Book Value

At Cost	2021 LKR	2020 LKR
Landscaping	-	-
Building - lease hold	790,215,871	787,829,269
Fixtures and fittings	858,761,679	1,067,838,349
Fixtures - air conditions	54,145,958	67,170,663
Furniture	7,619,535	10,394,379
Computer equipment	16,295,416	21,189,254
Office equipment- other	161,140,187	188,995,809
Motor vehicles	15,779,708	15,839,088
	1,903,958,354	2,159,256,811
At valuation		
Land	1,944,500,000	1,794,000,000
Building	247,000,000	260,576,172
	2,191,500,000	2,054,576,172
10.1.5 In the course of constructions		
Capital work in progress	4,588,283	6,960,687
Total gross carrying amount	4,588,283	6,960,687
Total	4,100,046,637	4,220,793,670

10.1.6 The company uses the revaluation model for measurement of land and buildings. The company engaged chartered valuer M/S G.W.G. Abeygunawardene an accredited independent valuer, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence. Valuations are based on comparison method/DRC method, adjusted for any difference in the nature, location or condition of the specific property. The date of the most recent revaluation was on 31st March 2021. The previous revaluation was on 29th February 2020.

Class of asset	Cost LKR	Cumulative depreciation If assets were carried at cost LKR	Net carrying amount 2021 LKR	Net carrying amount 2020 LKR
Building	312,463,128	240,199,633	72,263,494	136,590,986
Land	680,661,992	-	680,661,992	680,661,992

10.1.7 Land and buildings with a carrying value of LKR 2,079,800,000 (2020 - LKR 1,931,374,586) have been pledged as security for term loans obtained, and details of which are disclosed in Note 31.

10.1.8 Property pant and equipment include fully depreciated assets having a gross carrying amount of LKR 588,747,914 (2020 - LKR 526,716,887)

10.1.9 The amount of borrowing costs capitalised during the year ended 31st March 2021 was LKR 0 (2020 -LKR 81,700,569)

10 PROPERTY, PLANT & EQUIPMENT

10.2 Group

10.2.1 Gross carrying amounts

At cost	Balance As at 1-Apr-20	Incurred during the year / Transfers In	Revaluation	Disposals	Transfer Out	Balance As at 31-Mar-21
	LKR	LKR	LKR	LKR	LKR	LKR
Landscaping	884,560	-	-	-	-	884,560
Building - leasehold	1,966,224,837	234,316,196	-	(22,447,863)	-	2,178,093,170
Fixtures and fittings	1,989,021,276	92,725,085	-	(3,894,093)	-	2,077,852,268
Fixtures - air conditions	101,385,485	2,702,752	-	-	-	104,088,236
Furniture	820,294,499	75,354,348	-	(3,671,707)	-	891,977,140
Computer equipment	166,066,188	20,515,142	-	(423,802)	-	186,157,528
Office equipment	530,903,246	21,802,758	-	(6,048,214)	-	546,657,789
Motor vehicles	55,441,578	6,800,000	-	-	-	62,241,578
Motor vehicles -lease	2,574,404	-	-	-	-	2,574,404
	5,632,796,073	454,216,280	-	(36,485,679)	-	6,050,526,674

At valuation	Balance As at 1-Apr-20	Transfer from Acc : Depreciation	Revaluation	Disposals	Transfer Out	Balance As at 31-Mar-21
	LKR	LKR	LKR	LKR	LKR	LKR
Land	6,013,000,000	-	474,200,000	-	-	6,487,200,000
Building	437,500,000	(44,796,852)	23,096,852	-	-	415,800,000
	6,450,500,000	(44,796,852)	497,296,852	-	-	6,903,000,000

10.2.2 In the course of constructions

	Balance As at 1-Apr-20	Transfer In	Revaluation	Disposals	Transfer Out	Balance As at 31-Mar-21
	LKR	LKR	LKR	LKR	LKR	LKR
Capital work in progress	86,305,672	125,850,600	-	-	(195,203,563)	16,952,709
Total gross carrying amount	86,305,672	125,850,600	-	-	(195,203,563)	16,952,709
Total gross carring value	12,169,601,746	535,270,027	497,296,852	(36,485,679)	(195,203,563)	12,970,479,383

10.2.3 Depreciation

	Balance As at 1-Apr-20	Acquisitions/ Transfers	Charge for the year	Disposals	Revaluation/ Transfer Out	Balance As at 31-Mar-21
At Cost	LKR	LKR	LKR	LKR	LKR	LKR
Landscaping	884,560	-	-	-	-	884,560
Building - leasehold	540,294,279	-	250,918,425	(16,316,338)	-	774,896,366
Fixtures and fittings	753,409,901	-	264,726,351	(3,094,326)	-	1,015,041,926
Fixtures - air conditions	30,070,577	-	16,414,363	-	-	46,484,940
Furniture	295,448,180	-	100,395,667	(2,559,942)	-	393,283,905
Computer equipment	128,828,837	-	13,855,391	(154,148)	-	142,530,079
Office equipment	312,194,928	-	43,962,305	(4,340,500)	-	351,816,733
Motor vehicles	37,728,400	-	7,710,280	-	-	45,438,680
Motor vehicles -lease	2,179,428	-	-	-	-	2,179,428
	2,101,039,089	-	697,982,782	(26,465,254)	-	2,772,556,617

	Balance As at 1-Apr-20	Acquisitions/ Transfers	Charge for the year	Disposals	Revaluation/ Transfer Out	Balance As at 31-Mar-21
At valuation	LKR	LKR	LKR	LKR	LKR	LKR
Building	7,542,009	-	37,254,843	-	(44,796,852)	-
	7,542,009	-	37,254,843	-	(44,796,852)	-
Total depreciation	2,108,581,098	-	735,237,625	(26,465,254)	(44,796,852)	2,772,556,617

10.2.4 Net book value - Group

	2021	2020
At Cost	LKR	LKR
Building - leasehold	1,403,196,805	1,425,930,559
Fixtures and fittings	1,062,810,342	1,235,611,375
Fixtures - air conditions	57,603,297	71,314,908
Furniture	498,693,235	524,846,319
Computer equipment	43,627,449	37,237,351
Office equipment	194,841,056	218,708,317
Motor vehicles	16,802,898	17,713,178
Motor vehicles -lease	394,976	394,976
	3,277,970,057	3,531,756,984
At valuation		
Land	6,487,200,000	6,013,000,000
Building	415,800,000	429,957,991
	6,903,000,000	6,442,957,991
10.2.5 In the course of constructions		
Capital work in progress	16,952,709	86,305,672
Total gross carrying amount	16,952,709	86,305,672
Total	10,197,922,766	10,061,020,647

10.2.6 The company uses the revaluation model for measurement of land and buildings. The company engaged chartered valuer M/S G.W.G. Abeygunawardene an accredited independent valuer, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence. Valuations are based on comparison method/DRC method, adjusted for any difference in the nature, location or condition of the specific property. The date of the most recent revaluation was on 31st March 2021. The previous revaluation was on 29th February 2020.

	Cost	Cumulative depreciation If assets were carried at cost	Net carrying amount 2021	Net carrying amount 2020
Class of asset	LKR	LKR	LKR	LKR
Building	433,610,820	279,251,693	154,359,126	222,424,339
Land	2,178,317,202	-	2,178,317,202	2,178,317,202

10.2.7 Land and buildings with a carrying value of LKR 6,791,300,000 (2020 - LKR 6,319,756,405) have been pledged as security for term loans obtained, and details of which are disclosed in Note 31

10.2.8 Property pant and equipments included fully depreciated assets having a gross carrying amount of LKR1,001,588,808 (2020 - LKR 711,252,370)

10.2.9 The amount of borrowing costs capitalised during the year was LKR5,077,267 (2020 - LKR 101,492,070)

10.3 Valuation information - Land and building

10.3.1 Company

Property	Extent	No of buildings	Method of valuation	Effective date of valuation	Property valuer	Significant unobservable inputs		Sensitivity of fair value to unobservable inputs	Fair Value as at	
						2021	2020		31-Mar-2021	29-Feb-2020
No. 10, Ward Place, Colombo 07.	Land - R 2, P 15 Buildings - Sqft 14,491	1	Comparison Method/ DRC Method	31-Mar-21	G.W.G. Abeygunawardene, Chartered Valuation Surveyor	**Estimated price per perch is LKR 18.5 Mn & estimated price per Square foot- LKR 3,450 to LKR 3,650**	Estimated price per perch is LKR 17 Mn & estimated price per Square foot- LKR 3,500 to LKR 3,700	Positively correlated	**Land - 1,757.5 Mn Building - 51.5 Mn**	Land - 1,615 Mn Building - 52 Mn
C.W.W Kannangara Mawatha & Ward Place, Colombo 07	Building - Sqft 14,768	1	Comparison Method/ DRC Method	31-Mar-21	G.W.G. Abeygunawardene, Chartered Valuation Surveyor	**Estimated price per Square foot- LKR 3,339**	Estimated price per Square foot- LKR 10,000 to LKR 10,500	Positively correlated	**Building - 49.3 Mn**	Building - 68 Mn
No 29A, Jayathilaka Mawatha, Panadura	Land- R 1, P 2.16 Building - Sqft 33,272	1	Comparison Method/ DRC Method	31-Mar-21	G.W.G. Abeygunawardene, Chartered Valuation Surveyor	**Estimated price per perch is LKR 2.9 Mn & estimated price per Square foot is LKR 2,300 to LKR 4,700**	Estimated price per perch is LKR 2.8 Mn & estimated price per Square foot is LKR 2,350 to LKR 4,750	Positively correlated	**Land - 146 Mn Building - 124.8 Mn**	Land - 139 Mn Building - 126 Mn
No 18 & 20, Sama Mawatha, Boralesgamuwa	Land -P 20 Building - Sqft 5,155	1	Comparison Method/ DRC Method	31-Mar-21	G.W.G. Abeygunawardene, Chartered Valuation Surveyor	**Estimated price per perch is LKR 2.050 Mn & estimated price per Square foot- LKR 4,000 to LKR 4,600**	Estimated price per perch is LKR 1.985 Mn & estimated price per Square foot- LKR 4,125 to LKR 4,650	Positively correlated	**Land - 41 Mn Building -21.4 Mn**	Land - 40 Mn Building -21.5 Mn

10.3.2 Group (together with Note No 10.3.1 &11.3.1)

Property	Extent	No of buildings	Method of valuation	Effective date of valuation	Property valuer	Significant unobservable inputs		Sensitivity of fair value to unobservable inputs	Fair Value as at	
						2021	2020		31-Mar-2021	29-Feb-2020
No. 475/32, Kotte Road, Rajagiriya	Land - R 1, P 7.42 Building Sqft- 32,080	1	Comparison Method/ DRC Method	31-Mar-21	G.W.G. Abeygunawardene, Chartered Valuation Surveyor	**Estimated price per perch LKR 8.2 Mn & estimated price per Square foot- LKR 2,750 to LKR 5,900**	Estimated price per perch LKR 8 Mn & estimated price per Square foot- LKR 2,750 to LKR 5,950	Positively correlated	**Land - 397.4 Mn Building - 168.8 Mn**	Land - 392 Mn Building - 170 Mn

11 INVESTMENT PROPERTY

11.1 Company

Gross carrying amount

	Balance As at 1-Apr-20	Adjustment for fair value	Balance As at 31-Mar-21
	LKR	LKR	LKR
Land	3,827,000,000	318,300,000	4,145,300,000
Total	3,827,000,000	318,300,000	4,145,300,000

11.1.1 Net book value

	2021	2020
At fair value	LKR	LKR
Land	4,145,300,000	3,827,000,000
Total at fair value	4,145,300,000	3,827,000,000

11.1.2 Odel PLC has entered into a long term lease agreement for the ground rent with Odel Properties One (Pvt) Ltd for the purpose of constructing proposed shopping mall under a mixed development project approved by the Board of Investment of Sri Lanka. Note No 11.3.1 represent the detail of the land thereof.

11.2 Group

Gross carrying amounts

	Balance As at 1-Apr-20	Adjustment for fair value	Balance As at 31-Mar-21
	LKR	LKR	LKR
Land	1,638,000,000	92,000,000	1,730,000,000
Total	1,638,000,000	92,000,000	1,730,000,000

11.2.1 Net book value

	2021	2020
At fair value	LKR	LKR
Land	1,730,000,000	1,638,000,000
Total at fair value	1,730,000,000	1,638,000,000

11.2.2 Land with a carrying value of LKR 1,638,000,000 (2019 - LKR 1,364,000,000) have been pledged as security for term loans obtained, details of which are disclosed in Note 31.

11.3 Valuation information - Land and building

11.3.1 Company

Property	Extent	No of buildings	Method of valuation	Effective date of valuation	Property valuer	Significant unobservable inputs 2021	Significant unobservable inputs 2020	Sensitivity of fair value to unobservable inputs	Fair Value as at 31-Mar-2021	Fair Value as at 29-Feb-2020
No. 15, C.W.W. Kannangara Mawatha, Colombo 07. No. 21/5, C.W.W.Kannangara Mawatha, Colombo 07. No.25/2 ,3,5,6 & 6B,C.W.W. Kannangara Mawatha,Colombo 7. No.17,17/1,17/1A,19 & 19A, C.W.W. Kannangara Mawatha,Colombo7. No. 25, C.W.W. Kannangara Mawatha, Colombo 07.	Land - A 1, R 1, P 12.58	0	Comparison Method	31-Mar-21	G W G Abeygunawardene, Chartered Valuation Surveyor	**Estimated price per perch is LKR 19.5 Mn**	Estimated price per perch is LKR 18 Mn	Positively correlated	Land 4,145 Mn	Land 3,827 Mn

11.3.2 Group

Property	Extent	No of buildings	Method of valuation	Effective date of valuation	Property valuer	Significant unobservable inputs 2021	Significant unobservable inputs 2020	Sensitivity of fair value to unobservable inputs	Fair Value as at 31-Mar-2021	Fair Value as at 29-Feb-2020
No 197/C, Kalapaluwawa Road & No 271, Kaduwela Road, Thalangama	A 1-R 1-P 35.24	0	Comparison Method	31-Mar-21	G W G Abeygunawardene, Chartered Valuation Surveyor	**Estimated price per perch LKR 7.35 Mn**	Estimated price per perch LKR 6.5 Mn	Positively correlated	Land 1,730 Mn	Land 1,638 Mn

12 OTHER CURRENT/NON CURRENT ASSETS

12.1 Other Non Current Assets

	Company		Group	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
	LKR	LKR	LKR	LKR
Work in progress				
Balance as at 01 st April	-	-	4,396,970,628	2,596,486,932
Addition during the period	-	-	1,297,280,812	1,800,483,696
Transfers during the period	-	-	(853,548,101)	-
Balance as at 31 st March	-	-	4,840,703,339	4,396,970,628

Odel Properties one (Pvt) Ltd, fully owned subsidiary of Odel PLC commenced the construction of a shopping mall with apartments as a BOI project. Other Non-Current Assets represents the construction work in progress, which mainly consists of advances paid to contractors, directly attributable cost incurred on the project and borrowing cost capitalized. The amount of borrowing costs capitalized during the year ended 31 March 2021 was LKR 302,438,404 (2020 – LKR 313,336,863)

12.1.1 Details of the Odell mall project

The Group is engaged in the development and construction of an integrated complex with an approximate area of 630,815 square feet, comprising of offices, residential units, retail and associate facilities and a car park.

The land owned by ODEL PLC has leased out for this porject and land details are as follows;

Land Extent A 1, R 1, P 12.58
Lease Period 50 Years

Total ODEL mall project cost

Upon completion of the project, the total cost will be allocated in the following percentages under each asset category. As estimated at this juncture of time the final project cost allocation will be done in an absolute manner once the project is at near completion.

Asset category	Type	Cost percentage
Property, plant & Equipment and Investment Property	Office premises and Retail space	76%
Inventory	Apartments	24%
		100%

12.2 Other Current Assets

	Group	
	31-03-2021	31-03-2020
	LKR	LKR
Advance paid on constructions 12.2.1	654,000,000	654,000,000
Less - Work recovered from Advance	(645,572,320)	(550,131,712)
	8,427,680	103,868,288
Withholding Tax refund due	70,842	70,842
Current portion of the ground rent paid in advance	-	-
	8,498,522	103,939,130

12.2.1 Advances have been paid to Access Engineering PLC and China State Engineering Corporation for piling, diaphragm wall and construction of the shopping mall including apartments.

13 INTANGIBLE ASSETS

13.1 Company

13.1.1 Gross carrying amounts

At cost	Balance As at 1-Apr-20 LKR	Balance As at 31-Mar-21 LKR
Computer software	2,001,615	2,001,615
Total	2,001,615	2,001,615

13.1.2 Amortization

At cost	Balance As at 1-Apr-20 LKR	Charge for the year LKR	Balance As at 31-Mar-21 LKR
At cost			
Computer software	657,427	418,745	1,076,172
Computer software	657,427	418,745	1,076,172

13.1.3 Net book value

At cost	2021 LKR	2020 LKR
Computer software	925,443	1,344,188
Total	925,443	1,344,188
Total	925,443	1,344,188

13 INTANGIBLE ASSETS

13.2 Group

13.2.1 Gross carrying amounts

At cost	As at 1-Apr-20 LKR	As at 31-Mar-21 LKR
Computer software	144,237,975	144,237,975
Brand names	672,974,584	672,974,584
Total	817,212,559	817,212,559

13.2.2 Amortization

At cost	As at 1-Apr-20 LKR	Charge for the year LKR	As at 31-Mar-21 LKR
Computer software	142,382,726	637,646	143,020,371
Brand names	350,774,584	53,700,000	404,474,584
	493,157,310	54,337,646	547,494,956

13.2.3 Net book value

At cost	2021 LKR	2020 LKR
Computer software	1,217,603	1,855,249
Brand names	268,500,000	322,200,000
Total	269,717,603	324,055,249

13.2.4Intangible Assets include fully amortised assets having a gross carrying amount of LKR 307,106,647 (2020 - LKR 306,875,556)

13.3 Goodwill

The balance represents the Goodwill computed on the acquisition of,

	2021 LKR	2020 LKR
Softlogic Brands (Pvt) Ltd on 21st March 2015	104,680,409	104,680,409
Cotton collection (Pvt) Ltd on 28th August 2018	340,884,644	340,884,644
	445,565,053	445,565,053

13.4 Impairment of goodwill

The recoverable amounts of the CGU has been determined based on the value in use (VIU) calculation. value in use calculated based on the discounted cash flows of CGU. Cash flows are derived from the budget for the next five years without considering the significant future investments. Key Budget assumptions used for the budget are as follows.

Gross Margin - Actual gross margins achieved in the year preceding the budgeted year adjusted for projected market condition
Discount Rate - Current weighted average cost of funds - 12%
Inflation Rate/Cash flow growth rate - Inflation rate based on projected economic conditions.- 5%

14 RIGHT OF USE ASSETS

14.1 Company

	1-Apr-20	Charge	Transfers In	31-Mar-21
	LKR	LKR	LKR	LKR
Gross carrying amounts	955,952,631	-	131,055,789	1,087,008,420
Amortisation	(300,182,970)	(214,778,837)	-	(514,961,807)
Net carring amount	655,769,661	(214,778,837)	131,055,789	572,046,613

14.2 Group

	1-Apr-20	Charge	Transfers In	Transfers Out	31-Mar-21
	LKR	LKR	LKR	LKR	LKR
Gross carrying amounts	2,087,333,032	-	160,659,802	(20,461,472)	2,227,531,362
Amortisation	(520,206,444)	(475,801,906)	-	-	(996,008,350)
Net carring amount	1,567,126,588	(475,801,906)	160,659,802	(20,461,472)	1,231,523,012

15 LEASE LIABILITY

15.1 Company

	1-Apr-20	Additions	Interest	Payments	31-Mar-21
	LKR	LKR	LKR	LKR	LKR
Lease hold properties	781,946,504	131,055,789	93,267,865	(295,690,380)	710,579,778
	781,946,504	131,055,789	93,267,865	(295,690,380)	710,579,778

15.1.1 Following is the maturity lease liability for future periods.

	31-Mar-2021			31-Mar-2020		
	Gross	Interest	Liability	Gross	Interest	Liability
	LKR	LKR	LKR	LKR	LKR	LKR
0-3 Months	68,898,205	22,574,462	46,323,742	80,525,356	1,682,103	78,843,252
3-12 Months	166,772,942	59,646,959	107,125,984	206,947,611	16,593,453	190,354,158
Current balance	235,671,147	82,221,421	153,449,726	287,472,967	18,275,557	269,197,411
1 to 5 Years	537,003,757	189,362,664	347,641,093	528,926,673	148,153,350	380,773,323
5 Year and above	294,781,961	85,293,002	209,488,959	367,506,054	235,530,284	131,975,770
Non Current balance	831,785,718	274,655,665	557,130,052	896,432,727	383,683,634	512,749,093
Total	1,067,456,864	356,877,086	710,579,778	1,183,905,694	401,959,190	781,946,504

15.2 Group

	1-Apr-20	Additions	Interest	Payments	31-Mar-21
	LKR	LKR	LKR	LKR	LKR
Lease hold properties	1,771,779,179	140,198,330	216,845,115	(553,248,248)	1,575,574,376
	1,771,779,179	140,198,330	216,845,115	(553,248,248)	1,575,574,376

15.2.2 Following is the maturity lease liability for future periods.

	31-Mar-21			31-Mar-20		
	Gross	Interest	Liability	Gross	Interest	Liability
	LKR	LKR	LKR	LKR	LKR	LKR
0-3 Months	160,779,632	48,240,062	112,539,570	134,385,297	34,321,952	100,063,344
3-12 Months	481,698,450	121,806,506	359,891,944	432,847,582	107,761,429	325,086,152
Current balance	642,478,082	170,046,568	472,431,514	567,232,878	142,083,382	425,149,497
1 to 5 Years	1,212,020,612	261,381,184	893,653,904	1,368,920,558	176,783,813	1,192,136,745
5 Year and above	294,781,961	85,293,002	209,488,959	391,249,944	236,757,007	154,492,937
Non Current balance	1,506,802,572	346,674,186	1,103,142,862	1,760,170,502	413,540,820	1,346,629,682
Total	2,149,280,654	516,720,754	1,575,574,376	2,327,403,380	555,624,201	1,771,779,179

16 INVESTMENT IN SUBSIDIARIES

		Company	
		2021	2020
	% Holding	LKR	LKR
Odel Properties (Pvt) Ltd.	100%	108,100,000	108,100,000
Odel Information Technology Services (Pvt) Ltd	100%	10	10
Odel Lanka (Pvt) Ltd	100%	270,000,020	270,000,020
Odel Apparels (Pvt) Ltd	100%	1,000	1,000
Greenfield Trading (Pvt) Ltd	100%	10	10
Softlogic Brands (Pvt) Ltd	100%	1,719,288,000	1,719,288,000
Odel Properties One (Pvt) Ltd	100%	1,210,045,004	769,253,834
Odel Restaurant (Pvt) Ltd	100%	1,000,000	1,000,000
Cotton Collection (Pvt) Ltd	100%	300,000,000	300,000,000
		3,609,434,044	3,168,642,874
		3,608,434,044	3,167,642,874

17 INVENTORIES

	Company		Group	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Finished Goods	1,446,373,649	1,676,605,457	2,786,625,552	3,413,801,420
Apartments - Work in progress	-	-	853,548,101	-
Provision for obsolete and slow moving items	(47,582,137)	(19,543,320)	(103,404,251)	(75,975,092)
Total inventories at the lower of cost and NRV	1,398,791,512	1,657,062,137	3,536,769,403	3,337,826,328

17.1 Inventory work in progress includes transfer of ODEL mall project's apartments construction cost – At actual cost

18 TRADE AND OTHER RECEIVABLES

	Company		Group	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Financial Assets - At Amortized Cost				
Trade Debtors 18.1	24,916,714	24,823,806	30,820,951	27,237,643
Other Debtors	26,268,518	40,218,646	109,777,020	169,207,153
Provision for impairment on trade receivable	-	-	(2,576,483)	(2,576,483)
	51,185,232	65,042,452	138,021,487	193,868,313
Non Financial Assets				
Deposits & Prepayments	496,648,483	357,077,800	669,586,714	666,791,917
	547,833,715	422,120,252	807,608,201	860,660,230

18.1 Trade debtors aging analysis

	Company		Group	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Aging brackets (Days)				
0-30	1,463,112	91,101	7,367,349	2,504,939
31-60	8,684,082	3,471,719	8,684,082	3,471,719
61-90	8,329,982	13,729,612	8,329,982	13,729,612
91-120	636,299	2,375,095	636,299	2,375,095
120 <	5,803,238	5,156,279	5,803,238	5,156,279
Total	24,916,714	24,823,806	30,820,951	27,237,643

18.2 The balances consist of credit card, rent and advertising debtor

19 OTHER FINANCIAL ASSETS

		Company		Group	
		2021	2020	2021	2020
		LKR	LKR	LKR	LKR
	Financial assets at fair value through profit and loss				
	Investment in unit trust	248,959	248,959	248,959	248,959
	Other Receivable				
	Staff loan	2,888,600	902,634	2,888,600	902,634
	Refundable deposit	273,055,599	196,437,367	437,015,439	333,148,217
		276,193,158	197,588,960	440,152,998	334,299,810
19.1	Total current	23,188,243	19,172,889	23,188,243	19,172,889
19.2	Total Non current	253,004,915	178,416,072	416,964,755	315,126,922
		276,193,158	197,588,960	440,152,998	334,299,810

20 CONTRACT LIABILITIES

20.1 Deferred Revenue

	Company 2021 LKR	Company 2020 LKR	Group 2021 LKR	Group 2020 LKR
Loyalty programme				
Balance as at 01 st April	1,037,892	2,348,617	1,037,892	2,348,617
Transferred to Softlogic Rewards (Pvt) Ltd	(1,037,892)	33,522,076	(1,037,892)	33,522,076
Released to the income statement		(34,832,801)	-	(34,832,801)
Balance as at 31 st March	-	1,037,892	-	1,037,892

20.2 Deferred Expenditure

	Company 2021 LKR	Company 2020 LKR	Group 2021 LKR	Group 2020 LKR
Operating lease				
Balance as at 01 st April	-	58,656,292	-	86,805,799
Transferred to ROU asset (SLFRS 16)_Note 14	-	(58,656,292)	-	(86,805,799)
Charged to the income statement	-	-	-	-
Balance as at 31 st March	-	-	-	-
Total Deferred Liability	-	1,037,892	-	1,037,892
20.2.1 Total current	-	1,037,892	-	1,037,892
20.2.2 Total non current	-	-	-	-
	-	1,037,892	-	1,037,892

21 OTHER NON CURRENT LIABILITIES

	Company 2021 LKR	Company 2020 LKR	Group 2021 LKR	Group 2020 LKR
Retained from payments on constructions (21.1)	-	-	298,500,000	298,500,000
Advances received on apartment sales (21.2)	-	-	373,873,994	373,873,994
Refundable deposit (21.3)	-	-	5,123,106	5,123,106
	-	-	677,497,100	677,497,100

21.1 The balance represents the retention amount on construction work carried out in relation to the mixed development project in progress by Odel Properties One (Pvt) Ltd.

21.2 The balance represents the advances received by Odel Properties One (Pvt) Ltd from the customers to reserve the apartments to be constructed under the mixed development project

21.3 Refundable deposit includes the security deposit received for cinema theatre form PVR Cinemas

22 AMOUNTS DUE FROM RELATED PARTIES

	Relationship	Company 2021 LKR	Company 2020 LKR	Group 2021 LKR	Group 2020 LKR
Amount due from subsidiary companies					
Odel Properties (Pvt) Ltd	Subsidiary	17,980,175	35,560,942	-	-
Odel Properties One (Pvt) Ltd	Subsidiary	53,148,516	23,937,433	-	-
Odel Apparels (Pvt) Ltd	Subsidiary	35,221,555	38,496,403	-	-
Odel Lanka (Pvt) Ltd	Subsidiary	209,593,611	192,566,279	-	-
Cotton Collection (Pvt) Ltd		45,533,912	14,417,077	-	-
		361,477,769	304,978,134	-	-
Less: Provision for doubtful debt - Odel Lanka	Subsidiary	(65,532,013)	(65,532,013)	-	-
		295,945,756	239,446,121	-	-
Amount due from Other companies					
Softlogic Retail (Pvt) Ltd		-	27,430,484	56,895,142	39,549,279
Softlogic Mobile Distribution (Pvt) Ltd	Other Related	-	-	389,868	(75,434)
Softlogic Holdings PLC	Other Related	-	-	258,863	210,600
Softlogic Restaurants (Pvt) Ltd	Ultimate Parent	40,893,790	40,314,105	40,978,086	40,398,401
Softlogic City Hotels (Pvt) Ltd	Other Related	483,661	637,914	483,661	637,914
Softlogic Communication (Pvt) Ltd	Other Related	48,960	48,960	48,960	48,960
Softlogic Retail Holdings (Pvt) Ltd	Other Related	4,516,209	255,775	4,620,189	359,755
Softlogic Supermarkets (Pvt) Ltd	Immediate Parent	21,653,209	17,328,770	23,686,641	17,606,389
Softlogic Rewards (Pvt) Ltd	Other Related	-	3,463,408	-	3,463,408
Softlogic Properties (Pvt) Ltd	Other Related	-	-	1,063,736	-
Asiri Hospital Holdings PLC	Other Related	-	-	125,667	217,515
Central Hospital (Pvt) Ltd	Other Related	-	-	247,264	247,264
Asiri Hospital Galle (Pvt) Ltd	Other Related	-	-	45,924	45,925
	Other Related	67,595,829	89,479,416	128,844,000	102,709,975
		363,541,585	328,925,537	128,844,000	102,709,975

23 INTEREST BEARING LOANS AND BORROWINGS

23.1 Company

		2021 Repayable within 1 year	2021 Repayable after 1 year	2021 Total	2020 Repayable within 1 year	2020 Repayable after 1 year	2020 Total
		LKR	LKR	LKR	LKR	LKR	LKR
Bank loan	23.1.1	2,899,259,832	2,148,139,283	5,047,399,115	3,378,543,942	1,891,960,213	5,270,504,155
Bank overdraft	27.2	769,977,971	-	769,977,971	665,609,826	-	665,609,826
Related Party Loans	23.1.2	1,302,009,173	-	1,302,009,173	328,694,074	-	328,694,074
		4,971,246,976	2,148,139,283	7,119,386,259	4,372,847,842	1,891,960,213	6,264,808,055

23.1.1 Bank Loans

	2020	Obtained	Repayment	2021
	LKR	LKR	LKR	LKR
Short term working capital loans	2,387,515,045	181,686,536	(385,145,113)	2,184,056,468
Medium term project loans	2,882,989,110	600,000,000	(619,646,463)	2,863,342,647
	5,270,504,155	781,686,536	(1,004,791,576)	5,047,399,115

23.1.2 Related Party Loans

	2020	Obtained	Repayment	2021
	LKR	LKR	LKR	LKR
Short term working capital loans				
Softlogic Holdings	328,694,074	8,872,815,099	(7,899,500,000)	1,302,009,173
	328,694,074	8,872,815,099	(7,899,500,000)	1,302,009,173

23.2 Group

		2021 Repayable within 1 year	2021 Repayable after 1 year	2021 Total	2020 Repayable within 1 year	2020 Repayable after 1 year	2020 Total
		LKR	LKR	LKR	LKR	LKR	LKR
Bank loan	23.2.1	3,734,121,722	6,149,410,608	9,883,532,331	4,286,096,066	5,198,116,362	9,484,212,427
Bank overdraft	27.2	1,130,644,027	-	1,130,644,027	1,120,347,163	-	1,120,347,163
Related Party Loans	23.2.2	2,109,245,212	-	2,109,245,212	906,858,712	-	906,858,712
		6,974,010,961	6,149,410,608	13,123,421,569	6,313,301,940	5,198,116,362	11,511,418,302

23.2.1 Bank Loans

	2020	Obtained	Repayment	2021
	LKR	LKR	LKR	LKR
Short term working capital loans	3,295,067,169	321,183,909	(664,833,169)	2,951,417,908
Medium term project loans	6,189,145,258	1,403,596,049	(660,626,885)	6,932,114,422
	9,484,212,427	1,724,779,958	(1,325,460,054)	9,883,532,331

23.2.2 Related Party Loans

	2020	Obtained	Repayment	2021
	LKR	LKR	LKR	LKR
Short term working capital loans				
Softlogic Holdings PLC	731,858,712	9,123,886,499	(7,899,500,000)	1,956,245,212
Softlogic Finance PLC	175,000,000	-	(22,000,000)	153,000,000
	906,858,712	9,123,886,499	(7,921,500,000)	2,109,245,212

23.3 TERMS OF THE LOAN

23.3.1 Company

Lending institution	Loan/Facility value	Nature of facility	Security
BOC	450Mn	Medium term loan	First and additional legal mortgage over the property depicted as Lot No. 01 in Plan No. 012166 dated 10.07.2012 made by K D W D Perera , LS of the property situated at a Kotte Road, Rajagiriya, within the Administrative Limits of the Municipal Council of Sri Jayawardanapura Kotte, in the District of Colombo, Western Province.
BOC	100Mn	Medium term loan	Corporate Guarantee of Softlogic Holdings PLC
Union Bank	1000Mn	Medium term loan	Primary Mortgage over commercial property for 1Bn owned by ODEL Lanka Private Limited (to secure facilities granted to ODEL PLC) situated at Thalangama in the district of Colombo, in extent of (A 1 - R 2-P 11.20), (A 0 - R 0 - P 14.50), depicted as Lot 01 and Lot 02 in survey plan no. 7009A/ 9000 dated 15th August 2013, made by S. Wickramasinghe (LS).
State Bank of India	350Mn	Medium term loan	Asset Backed Trust Certificates secured by a primary mortgage over the Merchant fee Income
Indian Bank	250Mn	Medium term loan	Asset Backed Trust Certificates secured by a primary mortgage over the Merchant fee Income
State Bank of India	350Mn	Medium term loan	Primary Mortgage of merchant fee receivables and corporate guarantee of Softlogic Holdings PLC
Indian Bank	250Mn	Medium term loan	Primary Mortgage of merchant fee receivables and corporate guarantee of Softlogic Holdings PLC
HNB	1000Mn	Medium term loan	Registered Primary Mortgage Over Credit Card Receivables
HNB	375Mn	Short term Loan	Concurrent Mortgage Bond, Stock in Trade & Book debts
HNB	32Mn	Short term Loan	Clean
HNB		Short term Loan	Clean
Nations Trust Bank	40Mn	Short term Loan	Short Term Loan Agreement
Nations Trust Bank	90Mn	Short term Loan	Short Term Loan Agreement
Cargills Bank	250Mn	Short term Loan	Corporate Guarantee for 250Mn to be obtained from Softlogic Holdings PLC together with the supporting board Resolution
Seylan Bank	1000Mn	Short term Loan	Corporate Guarantee of Softlogic Holdings PLC, Loan Agreement Form, Series of Loans, Accepted Facility Committed Letter
Union Bank	400Mn	Short term Loan	Concurrent Mortgage Bond
DFCC Bank	150Mn	Short term Loan	Primary Concurrent Mortgage Bond
BOC	200Mn	Short term Loan	Loan Agreement
BOC	19Mn	Short term Loan	Loan Agreement
Sampath Bank	40Mn	Short term Loan	Loan Agreement
Nations Trust Bank	101.5Mn	ImportLoan	Mortgage over Stocks and Books Debts
Nations Trust Bank	100Mn	ImportLoan	Mortgage over Stocks and Books Debts
Sampath Bank	75Mn	ImportLoan	Import Loan Agreement
DFCC Bank	100Mn	ImportLoan	Primary Concurrent Mortgage Bond

Repayment term	Interest Rate	Loan Balance as at 31 March 2021	Loan Balance as at 31 March 2020
		LKR	LKR
66 Months including 6 Months Grace Period	AWPLR+ 2%	385,166,203	390,166,203
30 Months including 6 Months Grace Period	AWPLR+ 2%	46,108,478	52,582,179
Capital to be repaid in 59 equal monthly installments of Rs. 16,666,667/= and final installment of Rs. 16,666,647/- after a grace period of 06 months from the date of grant	AWPLR +3% p.a.with a floor rate of 14% p.a.	1,000,000,000	1,000,000,000
48 Monthly after the grace period - Starting from 04th February 2020	AWPLR+2.25% p.a	-	337,302,000
48 Monthly after the grace period - Starting from 04th February 2020	AWPLR+2.25% p.a	-	240,930,000
48 Monthly after the grace period - Starting from 16th August 2020	AWPLR+2.25% p.a	343,700,000	-
48 Monthly after the grace period - Starting from 16th August 2020	AWPLR+2.25% p.a	245,500,000	-
To be settled in 48 Months	AWPLR+2.0% (Monthly Review)	842,867,968	862,010,688
Maximum of 90 days subject to roll over	13.66% -14.16%reviewed monthly	-	250,000,000
Under Moratorium till 30/09/2020	AWPLR+2.5%	-	32,000,000
Under Moratorium till 30/09/2020	AWPLR+2.5%	72,992,449	-
Maximum of 90 days subject to roll over	AWPLR+ 1.25%		23,418,959
Maximum of 90 days subject to roll over	AWPLR+ 1.25%	38,327,110	
01 Year	AWPLR +3% p.a	233,988,722	233,988,722
Bullet Payment within 90days from the date of disbursement	Market rate reviewed monthly	1,039,644,635	1,000,000,000
Monthly	AWPLR+ 2%	300,000,000	300,000,000
Maximum of 90 days subject to roll over	Market rate reviewed monthly	177,000,000	150,000,000
Maximum of 90 days subject to roll over	Market rate reviewed monthly	200,000,000	200,000,000
24 months including 03 months grace period	4% p.a	19,000,000	-
Maximum of 90 days	Market rate reviewed monthly	40,000,000	-
Maximum of 90 days	AWPLR+ 1%	-	85,756,405
Maximum of 90 days	AWPLR+ 1%	34,038,370	
Maximum of 90 days	AWPLR+ 1.25%	8,262,457	75,434,364
Maximum of 90 days	4 week AWPLR+ 2% - review monthly	20,802,723	36,916,594

Lending institution	Loan/Facility value	Nature of facility	Security
Hatton National Bank	150Mn/400Mn	Bank Overdraft	Concurrent mortgage over stock and book debts
Sampath Bank	75Mn	Bank Overdraft	Existing Concurrent Mortgage Bond for Rs.300Mn over stocks and book debts of the Company
Union Bank	100Mn	Bank Overdraft	Concurrent Mortgage Bond totaling to Rs. 1.650 Bn over stocks and book debts
DFCC Bank	135/175Mn	Bank Overdraft	Primary Concurrent Mortgage Bond No. 1066/4744/1439/1174 for Rs. 210,000,000.00 over stocks
Bank of Ceylon		Bank Overdraft	None
Nations Trust Bank	20Mn	Bank Overdraft	Mortgage Over Stocks & Book debts for Rs. 100Mn
Commercial Bank	50Mn	Bank Overdraft	Primary Mortgage Bond over credit and debit card sales of all outlets of the Company(excluding the outlet at BIA) routed through 3 Acquiring Banks (HSBC, Sampath, NTB- (Amex)
Softlogic Holding PLC		Short term Loan	None

23.3.2 Group (together with No 23.3.1)

23.3.2.1 Odel Properties One (Pvt) Ltd

Lending institution	Loan/Facility value	Nature of facility	Security
HNB/Sampath/ BOC	5,400 Mn	Medium term loan	Primary concurrent mortgage over the property marked lot A depicted in Plan No 016016 made by K.D Walter D Perera LS together with building and everything else standing thereon. 100% of ordinary shares of Odel Properties One (Pvt) Ltd. Corporate guarantee of Softlogic Holding PLC for 5.4 Bn. Document of the title of goods to be imported in respect of a LC / Shipping guarantee for the mixed development project.

Repayment term	Interest Rate	Loan Balance as at 31 March 2021	Loan Balance as at 31 March 2020
		LKR	LKR
On demand	AWPLR (reviewed Annually)	361,677,451	295,886,970
On demand	AWPLR+1.25%	71,348,906	73,367,131
On demand	AWPLR +2%P.A.	108,039,178	112,316,698
On demand	Revised every month and will be 2% per annum above the AWPR	151,231,078	152,982,540
On demand		-	6,023,993
On demand	Weekly AWPLR+1.5%p.a	15,150,191	24,350,936
On demand	PLR+2.5% p.a., reviewed Monthly	62,531,167	679,600
On demand (Related party)	15.49% reviewed monthly	1,302,009,173	328,694,074

Repayment term	Interest Rate	Loan Balance as at 31 March 2021	Loan Balance as at 31 March 2020
		LKR	LKR
138 months including a grace Period of 54 months	AWPLR + 2%	3,753,640,680	2,950,044,631

NOTES TO THE FINANCIAL STATEMENTS

23.3.2.2 Softlogic Brands (Pvt) Ltd

Lending institution	Loan/Facility value	Nature of facility	Security
BOC	450 Mn	Medium term loan	Corporate Guarantee from Softlogic Holdings PLC & first and adds fiscal legal mortgage over premises at No 29 A, Jayatilaka Mawatha, Panadura.
Commercial Bank	200 Mn	Overdraft/ Letter of Credit/ Short term Loan	A Corporate Guarantee from Odel PLC for 100 Million
DFCC	150 Mn	Overdraft/ Letter of Credit/ Short term Loan/ Import Loan	A Corporate Guarantee from Odel PLC for 100 Million
Union Bank	300 Mn	Letter of Credit/ Import Loan	A Corporate Guarantee from Odel PLC for 300 Million & a negative pledge over stock & Book Debts
NDB	200 Mn	Overdraft / Letter of credit / Short term Loan	A Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for 200 million
NTB	50 Mn	Overdraft/ Letter of Credit/ Short term Loan	
Seylan Bank PLC	300 Mn	LC/ Import Loan/ OD	A Corporate Guarantee from ODEL PLC for Rs.300 Mn & a negative pledge for LKR 300 Mn.
Cargills Bank PLC	40 Mn	Temporary Short Term Loan	A Corporate guarantee from Softlogic Holdings (Pvt) Ltd for 40 million
Softlogic Holding PLC	-	Short term Loan	None
Softlogic Finance PLC	-	Short term Loan	None

23.3.2.3 Cotton Collections (Pvt) Ltd

Lending institution	Loan/Facility value	Nature of facility	Security
NTB	50 Mn	Import Loan	Primary mortgage over stocks for Rs 80 Mn
NTB	25 Mn	Short term Loan	Primary mortgage over stocks for Rs 80 Mn
NTB	3 Mn	Overdraft	Primary mortgage over stocks for Rs 80 Mn
NDB	150 Mn	Overdraft	Primary mortgage band over shares at Asiri Hospital Holdings PLC for 150
Sampath Bank	18 Mn	Overdraft	Primary mortgage over shares for 50 Mn
Union Bank	5 Mn	Overdraft	Primary mortgage over shares for 5 Mn

Repayment term	Interest Rate	Loan Balance as at 31 March 2021	Loan Balance as at 31 March 2020
		LKR	LKR
5 Years (LKR 230 million - 66 months including 6 month interest only grace period, LKR 220 million - 42 months including 6 months interest only grace period)		315,131,096	356,111,518
90 Days	AWPLR +1.5%	24,319,167	97,794,600
180 Days	AWPLR + 2%	29,819,073	161,912,151
120 Days	AWPLR +1.5%	235,263,015	292,518,195
120 Days	AWPLR +1.5%	95,726,641	
90 Days	AWPLR + 1%	18,108,360	22,091,680
90 Days	AWPLR + 2%	288,598,411	272,819,245
90 Days	AWPLR + 3%	40,000,000	40,000,000
On demand (Related party)	AWPLR + 2%	654,236,039	403,164,639
On demand (Related party)	AWPLR + 2%	153,000,000	175,000,000

Repayment term	Interest Rate	Loan Balance as at 31 March 2021	Loan Balance as at 31 March 2020
		LKR	LKR
Within 120 Days of granting each loan	AWPLR + 2.75%	35,526,773	20,416,253
Within 120 Days of granting each loan	AWPLR + 2.75%	20,323,371	-
On demand	AWPLR + 2.5%	2,937,575	3,120,519
On demand	AWPLR + 0.5%	150,175,168	152,231,306
On demand	AWPLR + 2% (Floor tate of 10%)	35,555,319	46,381,59
On demand	AWPLR + 3%	25,783,379	42,932,43

24 RETIREMENT BENEFIT LIABILITY

	Company		Group	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Defined Benefit Plan Costs - Gratuity				
As at the beginning of the year	84,082,026	60,947,905	110,986,448	75,956,192
PV-DBO as at 01 April 2020 for those transferred out	-	-	(33,393)	-
Charge for the year 24.1	19,801,715	16,121,528	28,151,595	22,795,993
Payment made during the year	(15,522,860)	(13,538,829)	(17,740,732)	(15,239,863)
Actuarial loss/ (Gain) on obligation	6,886,815	20,551,422	10,828,975	27,474,126
Defined Benefit Obligation as at the end of the year	95,247,694	84,082,026	132,192,893	110,986,448

24.1 Charge for the year

	Company 2021	Company 2020	Group 2021	Group 2020
Current service cost	12,066,169	9,417,259	18,222,215	14,832,446
Interest cost	7,735,546	6,704,269	9,929,380	7,963,547
Gratuity	19,801,715	16,121,528	28,151,595	22,795,993

24.2 The Retirement benefit liability of Odel PLC is valued by M/S Actuarial & Management Consultants (Pvt) Ltd. Defined liability is valued as at 31st March 2021 and the principal actuarial assumptions used are as follows.

Principal actuarial assumptions

	Company		Group	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Discount rate	**6.71%**	9.20%	**10% - 10.36%**	10% - 10.36%
Salary increases	**7.0%**	8.0%	**7.0%**	8.0%
Staff turnover	**18%**			
Age		**Turnover**	**Turnover**	**Turnover**
20		40%	**40%**	40%
25		40%	**40%**	40%
30		30%	**30%**	30%
35		20%	**20%**	20%
40		11%	**11%**	11%
45		6%	**6%**	6%
50		1%	**1%**	1%
Retirement Age	**55 Years**	55 Years	**55 Years**	55 Years
Weighted average duration of define benefit obligation	**4.98 Years**	7.3 Years	**7.5 , 11.8 & 12.5 Years**	7.5 , 11.8 & 12.5 Years

24.3 Sensitivity of Assumptions Employed in Actuarial Valuation

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

The sensitivity of the Comprehensive Income Statement and the Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate on the profit & loss and employment benefit obligation for the year.

Assumptions	Discount rate		Salary increment rate	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligation - Company	(4,268,654)	4,677,603	5,066,745	(4,705,515)
Impact on defined benefit obligation - Group	(6,005,078)	6,575,971	7,036,072	(6,540,012)

24.4 Maturity Analysis

Distribution of Present Value of Defined Benefit Obligation In Future Years (Rs.)

within the next 12 months	15,629,249
between 1 to 2 years	25,305,874
between 3 to 5 years	21,864,492
between 6 to 10 years	22,780,346
beyond 10 years	9,667,733
	95,247,694

The expected benefits are estimated based on the same assumptions used to measure the company's benefit obligation at the end of the year and include benefits attributable to estimated future employee service.

25 TRADE AND OTHER PAYABLES

	Company		Group	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Financial Liabilities				
Trade payables	138,654,435	62,415,961	843,081,058	452,125,366
Sundry creditors	217,590,498	248,832,481	234,954,884	295,339,381
Accrued expenses	34,762,591	99,033,965	173,320,453	162,931,785
Unredeemed vouchers	53,029,141	35,129,490	53,029,141	35,129,490
Work certified on constructions	-	-	247,468,011	274,642,446
Deposits & Advances	229,238,269	225,713,853	24,944,351	19,736,264
	673,274,934	671,125,750	1,576,797,898	1,239,904,732
Non Financial Liabilities				
Tax & Statutory	(102,040,477)	(72,534,691)	(102,236,297)	(65,594,108)
	571,234,457	598,591,059	1,474,561,601	1,174,310,624

26 AMOUNTS DUE TO RELATED PARTIES

		Company		Group	
		2021	2020	2021	2020
	Relationship	LKR	LKR	LKR	LKR
Amount due to subsidiary companies					
Odel Information Technology Services (Pvt) Ltd	Subsidiary	7,685,376	8,253,417	-	-
Odel Restaurant (Pvt) Ltd	Subsidiary	4,012,071	3,961,056	-	-
Softlogic Brands (Pvt) Ltd	Subsidiary	415,759,954	23,156,464	-	-
		427,457,401	35,370,937	-	-
Amount due to other companies					
Softlogic Retail (Pvt) Ltd	Other related	8,290,427	-	138,863,934	129,380,835
Softlogic BPO Services (Pvt) Ltd	Other related	81,596,393	13,294,310	98,711,852	14,643,098
Softlogic Corporate Services (Pvt) Ltd	Other related	4,442,887	1,720,508	10,166,266	5,008,526
Softlogic Destination Management Ltd	Other related	-	212,400	-	212,400
Softlogic Holdings PLC	Ultimate parent	235,650,209	84,546,023	497,579,960	177,527,592
Softlogic Information Technologies (Pvt) Ltd	Other related	472,864	23,281,556	755,364	23,281,556
Softlogic Restaurants (Pvt) Ltd	Other related	-	-	902,256	-
Softlogic Communications (Pvt) Ltd	Other related	-	-	8,650	18,904
Softlogic Retail One (Pvt) Ltd	Other related	-	-	70,792	70,792
Nextage (Pvt) Ltd	Other related	-	75,682	-	75,682
Ceysand Resorts (Pvt) Ltd	Other related	-	150,000	-	150,000
Softlogic Life Insurance PLC	Other related	-	-	1,926,174	-
Softlogic Mobile Distribution (Pvt) Ltd	Other related	10,000	-	10,000	-
Softlogic Supermarkets (Pvt) Ltd	Other related	-	-	470,317	93,000
Softlogic Automobiles (Pvt) Ltd	Other related	-	14,121	-	14,121
Central Hospital Limited	Other related	32,500	-	32,500	-
Softlogic Finance PLC	Other related	-	-	1,782	-
Softlogic Rewards (Pvt) Ltd	Other related	1,948,776	-	3,554,109	-
		332,444,056	123,294,600	753,290,226	350,476,506
		759,901,457	158,665,537	753,290,226	350,476,506

27 CASH AND CASH EQUIVALENTS

27.1 Favourable cash & cash equivalents balance

	Company		Group	
	2021	2020	2021	2020
Components of Cash and Cash Equivalents	LKR	LKR	LKR	LKR
Cash & bank balances	84,944,724	81,200,363	232,345,650	152,471,556

27.2 Unfavourable cash & cash equivalents balance

Bank overdraft	(769,977,971)	(665,609,826)	(1,130,644,027)	(1,120,347,163)
	(685,033,247)	(584,409,463)	(898,298,376)	(967,875,607)

28 STATED CAPITAL

	Company		Group	
	2021	2020	2021	2020
Fully paid ordinary shares	Number	LKR	Number	LKR
	272,129,431	2,795,513,620	272,129,431	2,795,513,620
	272,129,431	2,795,513,620	272,129,431	2,795,513,620

29 FINANCIAL ASSETS & LIABILITIES - FAIR VALUES

29.1 The fair value of the financial assets and liabilities is included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Investment in unit trust, cash and short-term deposits, staff loans, refundable deposits, trade receivables, trade payables, amount due to/from related party and other current liabilities approximate their carrying amounts.

The fair value of, obligations under finance leases, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The fair value of loans from bank approximate the carrying value as loans have been obtained on floating rates.

29.2 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

Company	Carrying Amount		Fair value	
	2021	2020	2021	2020
Interest bearing loans and Borrowings	LKR	LKR	LKR	LKR
Floating Rate Borrowings	5,047,399,115	5,270,504,155	5,047,399,115	5,270,504,155
	5,047,399,115	5,270,504,155	5,047,399,115	5,270,504,155

Group	Carrying Amount		Fair value	
	2021	2020	2021	2020
Interest bearing loans and Borrowings	LKR	LKR	LKR	LKR
Floating Rate Borrowings	9,883,532,331	9,484,212,427	9,883,532,331	9,484,212,427
	9,883,532,331	9,484,212,427	9,883,532,331	9,484,212,427

Company	Carrying Amount		Fair value	
	2021	2020	2021	2020
Loans and receivables	LKR	LKR	LKR	LKR
Staff loan	2,888,600	902,634	2,888,600	902,634
Refundable deposit	273,055,599	196,437,367	273,055,599	196,437,367
	275,944,199	197,340,001	275,944,199	197,340,001

Group	Carrying Amount		Fair value	
	2021	2020	2021	2020
Loans and receivables	LKR	LKR	LKR	LKR
Staff loan	2,888,600	902,634	2,888,600	902,634
Refundable deposit	437,015,439	333,148,217	437,015,439	333,148,217
	439,904,039	334,050,851	439,904,039	334,050,851

29.2 Fair value hierarchy (Contd.)

As at 31 March 2021, the Group held the following assets carried at fair value in the statement of financial position:

Assets measured at fair value - 2021	LKR	Level 1 LKR	Level 2 LKR	Level 3 LKR
Financial assets at fair value through profit and loss				
Investment in unit trust	248,959	-	248,959	-
			-	-
Non-Financial Assets				
Free hold lands	6,487,200,000	-	-	6,487,200,000
Free hold buildings	415,800,000	-	-	415,800,000
Investment Property	1,730,000,000	-	-	1,730,000,000

Assets measured at fair value - 2020	LKR	Level 1 LKR	Level 2 LKR	Level 3 LKR
Financial assets at fair value through profit and loss				
Investment in unit trust	248,959	-	248,959	-
Non-Financial Assets				
Free hold lands	6,013,000,000	-	-	6,013,000,000
Free hold buildings	437,500,000	-	-	437,500,000
Investment Property	1,638,000,000			1,638,000,000

29.3 Unobservable inputs used in measuring the fair value of non-financial assets

Note numbers 10.3 & 11.3 set out information about significant unobservable inputs used as at 31st March 2021 in measuring non-financial assets categorised as level 3 in the fair value hierarchy

30 LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss for the year attributable to equity holders of parent 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, without a corresponding change in the resources.

The following reflects the income and share data used in the basic earning per share computations

Amounts used as the numerators:	2021 LKR	2020 LKR
Net loss	(1,685,445,558)	(835,550,269)
Net loss attributable to ordinary shareholders for basic loss per share	(1,685,445,558)	(835,550,269)
Number of ordinary shares used as denominators:		
Weighted average number of ordinary shares in issue applicable to basic earnings per share	272,129,431	272,129,431
Adjusted weighted average number of ordinary shares applicable to basic earnings per share	272,129,431	272,129,431
Basic loss per share	(6.19)	(3.07)

31 ASSETS PLEDGED - (COMPANY/GROUP)

The following assets have been pledged as security for liabilities.

Company

Nature of asset	Mortgage type	Bank	Carrying Amount 2021	Carrying Amount 2020	Address
Odel PLC					
Land & building	Primary	BOC	450 Mn	450 Mn	No. 475/32, Kotte Road, Rajagiriya. Owned by Odel Properties (Pvt) Ltd
Land & building	Primary	Union	1000 Mn	1000 Mn	No 271-271F, Kaduwala Road, Thalangama, Battaramulla. owned by Odel Lanka (Pvt) Ltd
Stock & book debts	Primary Concurrent	Union	450 Mn	450 Mn	
Stock & book debts	Primary Concurrent	Sampath	150 Mn	150 Mn	
Stock & book debts	Primary Concurrent	HNB	400 Mn	400 Mn	
Stock & book debts	Primary Concurrent	DFCC	250 Mn	250 Mn	
Stock & book debts	Primary Concurrent	NTB	100Mn	100Mn	
Softlogic Brands (Pvt) Ltd					
Land & building	Primary Concurrent	BOC	450 Mn	230 Mn	No 29A, Jayathilaka Mawatha, Panadura
Odel Properties One (Pvt) Ltd					
Land & building	Primary Concurrent	HNB / Sampath / BOC	5,400 Mn	5,400 Mn	Dr. C W W Kannangara Mw., Colombo - 07 owned by Odel PLC

32 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant capital commitments and contingent liabilities as of the Balance sheet date except for the amount disclosed below,

32.1 Capital Commitments

Odel Properties One (Pvt) Ltd which is a fully owned subsidiary, has entered into agreements with;

a) Access Engineering PLC for Rs 570 Mn to construct the diaphragm wall and piling work of the proposed Odel department store. As at 31st March 2021, estimated value of the work done is Rs 450Mn.

b) China Construction Third Engineering Bureau Co, Ltd for 7,017 Mn on commercial development at Ward Place. As at 31st March 2021, the estimated value of the work done is Rs 3,630 Mn

c) Non contracted capital commitments

Estimated non contracted commitment for the above project will be Rs 8,310 Mn.

32.2 Contingent Liabilities

Letter of credits executed for LKR 138,070,976 LKR (519,470 USD / 139,500 EUR) and reffer note no 23.3.1 and 23.3.2 to this financial statements for the details of the corporate guarantees given by Odel PLC

33 RELATED PARTY DISCLOSURES

The financial statements include the financial statements of the Group and the Subsidiaries listed in the following table:

Name	% of equity interest 2021	2020
Odel Apparels (Pvt) Ltd	100%	100%
Odel Information Technology Services (Pvt) Ltd	100%	100%
Odel Properties (Pvt) Ltd	100%	100%
Odel Lanka (Pvt) Ltd	100%	100%
Softlogic Brands (Pvt) Ltd	100%	100%
Odel Properties One (Pvt) Ltd	100%	100%
Odel Restaurants (Pvt) Ltd	100%	100%
Cotton Collections (Pvt) Ltd	100%	100%

33.1 TRANSACTION WITH RELATED PARTIES

The following table provides the total amount of transactions that have been entered into with the above related parties for the relevant financial year and the information regarding outstanding balances as at balance sheet date

Transactions between the Company and subsidiaries	31-03-2021 LKR	31-03-2020 LKR
Nature of Transaction		
Balance as at 1 April (Before Provision)	269,607,197	(351,954,390)
Loan Granted	-	-
Purchase of Goods/Services	(283,160,284)	(288,369,843)
Sale of goods/services	343,780,809	(56,423,021)
Investment in equity shares	-	-
Sister Store Sales	(630,229,187)	(120,937,105)
Settlements/Receipts	145,854,034	(114,997,654)
Balance Transfer	-	619,419,541
Settlement of liabilities on behalf of the Company	88,167,799	582,869,668
Balance as at 31 March (Before Provision)	(65,979,632)	269,607,197

Transactions between the Company and other related entities	31-03-2021 LKR	31-03-2020 LKR
Nature of Transaction		
Balance as at 1 April (Before Provision)	(33,815,184)	33,851,883
Loan Granted/Advance Paid	-	(290,403,060)
Purchase of goods/services	(278,644,212)	-
Sale of goods/services	23,810,718	77,356,963
Sister Store Sales	-	159,050
Settlements/Receipts	32,647,977	92,051,980
Balance Transfer	-	23,864,092
Settlement of liabilities on behalf of the Company	(8,847,526)	29,303,908
Balance as at 31 March (Before Provision)	(264,848,227)	(33,815,184)

33.2 Transactions with immediate parent company - Softlogic Retail Holding (Pvt) Ltd.

During the year,no transactions has been incurred by Odel PLC on behalf of Softlogic Retail Holding (Pvt) Ltd.

Transactions with ultimate parent company - Softlogic Holding PLC

Working capital loans of LKR 8,872,815,099/- (287% of the revenue) were obtained and the settlements of 7,899,500,000/- (256% of the revenue) were done during the financial year. Further LKR 138,804,915/= worth of services were received and LKR 240,163 services were provided during the financial year.

** Above balances are included in the amount due to / due from related parties. Balance outstanding as at the year end is disclosed in the Note 22 and 26 to the financial statements

Terms and conditions of transactions with related parties

**All trading transactions are at the arms length and interest has been charged on loans granted at the rate of AWPLR + 1%. All other amounts are due to/from on demand

33.3 Transactions with Key Management Personnel of the Company or its parent

The key management personnel of the Company/Group are the members of its Board of Directors and that of its parent.

	2021	2020
	LKR	LKR
(a) Key Management Personnel Compensation		
Short-term employee benefits	-	3,600,000
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefit	-	-
Share based payments	-	-
	-	3,600,000
b) Advances received for purchase of goods/services	31,442,015	31,442,015
	31,442,015	35,042,015

34 DIVIDENDS PAID AND PROPOSED

	2021	2020
	LKR	LKR
Declared and paid during the year:		
Dividends on ordinary shares:		
Final dividend for 2021: 0 cents per share (2020: 0 cents per share)	-	-
Interim dividend paid for 2021: 0 cents per share (2020: 0 cents per share)	-	-
	-	-

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The Group has loan and receivables, trade and other receivables, and cash and short-term deposits that are derived directly from its operations.

The Group's senior management oversees the management of the financial risks. The Board of Directors has the overall responsibility to manage risk effectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates arise due to the borrowings with floating interest rates. The company work closely with the parent company to negotiate favourable terms and conditions for loan facilities obtained.

35.1 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax	
		Company	Group
		LKR	LKR
2021			
Loan interest	+100	(66,920,972)	(123,174,199)
Loan interest	-100	66,920,972	123,174,199
2020			
Loan interest	+100	(51,233,971)	(98,779,799)
Loan interest	-100	51,233,971	98,779,799

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group has minimal exposure to credit risk from operating activities due to nature of business. The risk from its financing activities, including deposits with banks and financial institutions is managed by dealing with institutions carrying high credit rating.

35.2 Credit exposure

The Company's maximum exposure to credit risk for the components of the Statement of Financial Position as at balance sheet date is the carrying amounts of respective financial instruments.

35.2.1 Company

As at 31 March 2021	Neither past-due nor impaired Risk free	AAA to AA-	A+ to A-	BBB+ to BB-	Non-rated	Past-due but not impaired	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Loans and receivables							
Trade debtors	-	-	-	-	7,266,350	17,650,364	24,916,714
Other debtors	-	-	-	-	26,268,518	-	26,268,518
Deposits & prepayments					496,648,483		496,648,483
Staff loan					2,888,600		2,888,600
Refundable deposit					273,055,599		273,055,599
Investment in unit trust					248,959		248,959
Amounts due from related parties					363,541,585		363,541,585
Total	-	-	-	-	1,169,918,094	17,650,364	1,187,568,458

As at 31 March 2020	Neither past-due nor impaired Risk free	AAA to AA-	A+ to A-	BBB+ to BB-	Non-rated	Past-due but not impaired	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Loans and receivables							
Trade debtors					5,247,380	19,576,426	24,823,806
Other debtors					40,218,646	-	40,218,646
Deposits & prepayments					357,077,800		357,077,800
Staff loan					902,634		902,634
Refundable deposit					196,437,367		196,437,367
Investment in unit trust					248,959		248,959
Amounts due from related parties					328,925,537		328,925,537
Total	-	-	-	-	929,058,323	19,576,426	948,634,749

35.2.2 Group

	Neither past-due nor impaired						
As at 31 March 2021	Risk free	AAA to AA-	A+ to A-	BBB+ to BB-	Non-rated	Past-due but not impaired	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Loans and receivables							
Trade debtors	-	-	-	-	13,170,587	17,650,364	30,820,951
Other debtors	-	-	-	-	109,777,020	-	109,777,020
Deposits & prepayments					669,586,714		669,586,714
Staff loan					2,888,600		2,888,600
Refundable deposit					437,015,439		437,015,439
Investment in unit trust					248,959		248,959
Amounts due from related parties					128,844,000		128,844,000
Total	-	-	-	-	1,361,531,319	17,650,364	1,379,181,683

	Neither past-due nor impaired						
As at 31 March 2020	Risk free	AAA to AA-	A+ to A-	BBB+ to BB-	Non-rated	Past-due but not impaired	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Loans and receivables							
Trade debtors					7,661,217	19,576,426	27,237,643
Other debtors					169,207,153	-	169,207,153
Deposits & prepayments					666,791,917		666,791,917
Staff loan					902,634		902,634
Refundable deposit					333,148,217		333,148,217
Investment in unit trust					248,959		248,959
Amounts due from related parties					102,709,975		102,709,975
Total	-	-	-	-	1,280,670,072	19,576,426	1,300,246,498

35.3 Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled with existing lenders.

The Company and the Group are making optimum use of cash inflows with the help of the Group treasury division, ensuring the Group-wide interest exposure is kept to a minimum & performing regular reviews of the actual performance against planned to ensure achievement of budgeted targets to mitigate the risk.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted gross payments.

35.3.1 Company

Year ended 31 March 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Interest-bearing loans and borrowings	-	3,732,461,323	671,265,950	2,416,576,145	-	6,820,303,418
Bank Overdrafts	769,977,971	-	-	-	-	769,977,971
Trade and other payables	53,029,141	518,205,316	-	-	-	571,234,457
Corporate Guarantee	600,000,000	-	-	-	-	600,000,000
	1,423,007,112	4,250,666,639	671,265,950	2,416,576,145	-	8,761,515,846

Year ended 31 March 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Interest-bearing loans and borrowings	-	2,850,167,418	1,156,988,814	2,422,820,864	86,505,319	6,516,482,415
Bank Overdrafts	665,609,826	-	-	-	-	665,609,826
Trade and other payables	35,129,490	563,461,569	-	-	-	598,591,059
Corporate Guarantee	600,000,000	-	-	-	-	600,000,000
	1,300,739,316	3,413,628,987	1,156,988,814	2,422,820,864	86,505,319	8,380,683,300

35 3.2 Group

Year ended 31 March 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Interest-bearing loans and borrowings	-	5,307,058,802	1,030,048,916	5,555,002,858	2,278,300,574	14,170,411,151
Bank Overdrafts	1,130,644,027	-	-	-	-	1,130,644,027
Trade and other payables	53,029,141	1,421,532,460	-	-	-	1,474,561,601
Other non current liabilities	-	-	-	677,497,100	-	677,497,100
	1,183,673,168	6,728,591,262	1,030,048,916	6,232,499,958	2,278,300,574	17,453,113,878

Year ended 31 March 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Interest-bearing loans and borrowings	-	4,864,643,103	2,711,880,155	3,645,326,747	86,505,319	11,308,355,325
Bank Overdrafts	1,120,347,163	-	-	-	-	1,120,347,163
Trade and other payables	35,129,490	1,139,181,134	-	-	-	1,174,310,624
Other non current liabilities	-	-	-	677,497,100	-	677,497,100
	1,155,476,653	6,003,824,238	2,711,880,155	4,322,823,847	86,505,319	14,280,510,212

35.4 Capital Management

The Board's policy is to maintain healthy capital base so as to maintain lenders,investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, reserves, retained earnings of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The gearing ratio at the reporting date was as follows

	Company		Group	
	2021	2020	2021	2020
	LKR	LKR	LKR	LKR
Interest bearing borrowings - Current	4,886,302,252	4,291,647,479	6,741,665,311	6,160,830,385
Interest bearing borrowings - Non Current	2,148,139,283	1,891,960,213	6,149,410,608	5,198,166,362
Total Borrowings	7,034,441,535	6,183,607,692	12,891,075,920	11,358,946,746
Total Equity	5,674,970,106	6,214,108,288	6,169,508,202	7,328,661,285
Total Equity and Debt	12,709,411,641	12,397,715,980	19,060,584,121	18,687,608,031
Gearing Ratio (Total Debt/ Total Capital)	55%	50%	68%	61%

36 SIGNIFICANT TRANSACTIONS AND EVENTS

36.1 Odel PLC invested Rs 440,971,170/= additionally in the ordinary shares of Odel Properties One (Pvt) Ltd, a fully owned subsidiary, of which the business is to carry out a special project under the agreement with the Board of Investment.

37 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the balance sheet date except for below, that require adjustments to or disclosure in the financial statements.

37.1 Current Status of Response to Covid-19 Pandemic

The impact of COVID-19 pandemic on our business is unprecedented. The Company understands the importance of the safety measures implemented by world leaders. The Company is closely monitoring the liquidity position and have requested banks for debt moratoriums and working capital loans as per the Central Bank guidelines, which would give the Company comfort in managing future cashflows of the business. In addition to managing the financial impact of COVID-19, the Company has also put in place strict guidelines for future operations based on the advice of the World Health Organization and the Ministry of Health and Indigenous Medical Services. With the ease of the curfew during the daytime and the gradual reanimation of economic activities, we have witnessed a recommencement of our operations. While steadily gaining momentum, we are aware of the unpredictable nature of the current climate of the country and the globe and therefore, wish to further observe the impacts and take proactive measures to ensure the smooth functioning of the business.

37.2 The curfew imposed in May 2021 and in August 2021 with the outbreak of the third wave of COVID 19 impacted our revenue adversely and with the incidence of fixed costs negatively affected performance during the first and second quarters of the ensuing year. To counter these temporary setbacks, various cost management measures were taken to minimize the impact on our bottom line. Our bankers have lent us their support in managing our cash flow, and given the nature of our business we do not expect any long term adverse impact from the pandemic.

38 SEGMENT INFORMATION

Odel group is organised into business units based on its products and services and has two reportable segments, as follows,

* Fashion Retailing Segment which offers various fashion related clothing, accessories and sport ware foot ware etc., to wide range of customers.

* The investment property segment consists of land that holds for capital appreciation purpose.

The Management team monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements

The methods of accounting for the reportable segments are the same as those stated in " 2.4 Significant Accounting Policies".

Year ended 31 March 2021	Fashion Retail	Investment Property	Other	Total Segments	Adjustments and Elimination	Consolidated Financial Statements
	LKR	LKR	LKR	LKR	LKR	LKR
Revenue	5,283,708,171		568,501,509	5,852,209,680	(502,637,701)	5,349,571,979
Revenue						
External Customers	5,115,241,547		234,330,432	5,349,571,979	-	5,349,571,979
InterCompany	168,466,624		334,171,077	502,637,701	(502,637,701)	-
Total Revenue	5,283,708,171		568,501,509	5,852,209,680	(502,637,701)	5,349,571,979
Other Operating Income	19,005,416	92,000,000		111,005,416		111,005,416
EBIT	(1,018,961,518)	92,000,000		(926,961,518)		(926,961,518)
Amortisation and depreciation	1,291,050,058			1,291,050,058	(25,672,881)	1,265,377,177
Segment Profit	(1,768,245,558)	82,800,000		(1,685,445,558)		(1,685,445,558)
Non-Current Assets (excluding financial assets, goodwill and deferred tax assets)	16,539,866,720	1,730,000,000		18,269,866,720		18,269,866,720
Total Liabilities	17,941,357,269	223,012,066		18,164,369,335		18,164,369,335

38 SEGMENT INFORMATION (CONTD.)

Year ended 31 March 2020	Fashion Retail	Investment Property	Other	Total Segments	Adjustments and Elimination	Consolidated Financial Statements
	LKR	LKR	LKR	LKR	LKR	LKR
Revenue	7,441,243,259		606,020,370	8,047,263,629	(632,927,098)	7,414,336,531
Revenue						
External Customers	7,184,589,175		229,747,356	7,414,336,531	-	7,414,336,531
InterCompany	256,654,083		376,273,014	632,927,098	(632,927,098)	-
Total Revenue	7,441,243,259		606,020,370	8,047,263,629	(632,927,098)	7,414,336,531
Other Operating Income	14,750,261	274,000,000		288,750,261		288,750,261
EBIT	(448,066,560)	274,000,000		(174,066,560)		(174,066,560)
Amortisation and depreciation	659,908,030			659,908,030		659,908,030
Segment Profit	(1,082,152,289)	246,600,000		(835,552,289)		(835,552,289)
Non-Current Assets (excluding financial assets, goodwill and deferred tax assets)	16,349,173,112	1,638,000,000		17,987,173,112		17,987,173,112
Total Liabilities	16,120,654,811	228,528,448		16,349,183,259		16,349,183,259

Amount classified under "Other" category in above table, consists of commission / rental income earned by the Company from third parties

INVESTOR INFORMATION

The percentage of shares held by the public as at 31 March 2021 was 2.26% (2020 – 2.26%). The number of shareholders representing the public holding was 5,070 (2020 – 5,128)

Float adjusted Market Capitalization is Rs. 115,007,340.10 (2020 – LKR 116,852,377.67)

DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH 2021

There were 5,070 registered shareholders as at 31st March 2021

NO. OF SHARES HELD	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	TOTAL HOLDING	% OF TOTAL HOLDING
1-1000	4,575	90.24	1,115,017	0.41
1001-10,000	428	8.44	1,303,201	0.48
10001-100,000	58	1.14	1,703,143	0.63
100001-1,000,000	7	0.14	2,087,202	0.77
Over- 1,000,000	2	0.04	265,920,868	97.72
Total	5070	100.00	272,129,431	100

ANALYSIS REPORT OF SHAREHOLDERS AS AT 31ST MARCH 2021

Analysis of Share Holders According to the No of Shares [Company/Member]

CATEGORY	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	TOTAL HOLDING	% OF TOTAL HOLDING
Individual	4,980	98.22	4,413,049	1.62
Institutional	90	1.78	267,716,382	98.38
Total	5,070	100	272,129,431	100

SHARE TRADING INFORMATION

CATEGORY	2020/21	2019/20
Highest	24.00	33.30
Lowest	14.50	19.00
Closing	18.70	19.00
Dividend per share (cents)	-	
Dividend pay out (%)	-	

TWENTY LARGEST SHAREHOLDERS OF THE COMPANY AS AT 31ST MARCH 2021 ARE AS FOLLOWS.

NO.	NAME	SHARES	%
1	SOFTLOGIC RETAIL HOLDINGS (PRIVATE) LIMITED	265,920,868	97.71
2	MRS. ELAINE BRYNHILDE HELGA ANIL PERERA	527,000	0.19
3	AYENKA HOLDINGS PRIVATE LIMITED	524,000	0.19
4	MERCANTILE INVESTMENTS AND FINANCE PLC	300,000	0.11
5	TANGERINE TOURS (PVT) LIMITED	225,600	0.08
6	BANK OF CEYLON NO. 1 ACCOUNT	222,295	0.08
7	Mr. CALISTUS NIMALANATHAN PAKIANATHAN	155,934	0.06
8	MR. INDIKA PRASAD GALHENAGE	132,373	0.05
9	MR. NAYANAKA ARJUNA SAMARAKOON	100,000	0.04
10	MISS NEESHA HARNAM	99,800	0.04
11	PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MRS.G.SOYSA	90,000	0.03
12	COMMERCIAL BANK OF CEYLON PLC/ANDARADENIYA ESTATE (PVT) LTD	79,501	0.03
13	MR. AMARAKOON MUDIYANSELAGE WEERASINGHE	66,200	0.02
14	MR. MADHURA SUPUN HIRIPITIYA	60,305	0.02
15	DFCC BANK PLC/MR.M.C.FERNANDO	55,292	0.02
16	Mr. SARATH KUSUM WICKREMESINGHE	55,000	0.02
17	Mr. DILIP SUDHIRA JAYAWICKRAMA	50,000	0.02
18	BANSEI SECURITIES CAPITAL (PVT) LTD/M.A.U. GNANATILAKE	49,677	0.02
19	PEOPLES BANK/ASOKA KARIYAWASAM PATHIRAGE	48,292	0.02
20	MR. RYAN KRISHANTHA RAMBUKWELLA	46,010	0.02

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held by electronic means on Thursday the 11th day of November 2021 at 10:00 am centered at No. 14, De Fonseka Place, Colombo 05 for the following purposes:

1) To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company and of the Group for the year ended 31st March 2021 together with the Report of the Auditors thereon.
2) To elect Mr. J. M. Jayanth Perera who retires in terms of Article 23 (2) of the Articles of Association, as a Director of the Company.
3) To re-appoint the retiring Auditors, Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.
4) To authorize the Directors to determine and make donations for the year ending 31st March 2022 and up to the date of the next Annual General Meeting.

By Order of the Board
ODEL PLC

(Sgd.)
SOFTLOGIC CORPORATE SERVICES (PVT) LTD
Company Secretaries

15th October 2021
Colombo

Note:

1. A Shareholder who is entitled to participate, speak and vote at the meeting is entitled to appoint a proxy to attend and vote on behalf of him/her by electronic means as per the attached guidelines.
2. A proxy need not be a Shareholder of the Company.
3. The Form of Proxy is enclosed for this purpose.
4. Shareholders are advised to follow the Guidelines and Attendance Registration Process for the Annual General Meeting attached hereto.

NOTES

FORM OF PROXY

**I/We .... of ....

....

Being *a member/members of ODEL PLC, do herby appoint ....

....

(holder of N.I.C No. ....) of .... or (whom failing)

Mr. A.K. Pathirage	(whom failing)
Dr. S. Selliah	(whom failing)
Mr. H.K. Kaimal	(whom failing)
Mr. R.P. Pathirana	(whom failing)
Dr. I.C.R. De Silva	(whom failing)
Mr. J.M.J. Perera	

as *my/our Proxy to represent *me/us and to speak and vote for *me/us on *my/our behalf at the ANNUAL GENERAL MEETING OF THE COMPANY to be held by electronic means on Thursday the 11th day of November 2021 at 10:00 a.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

	FOR	AGAINST
1. To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company for the year ended 31st March 2021 together with the Report of the Auditors Theron.	◯	◯
2. To elect Mr. J. M. Jayanth Perera who retires in terms of Article 23 (2) of the Articles of Association, as a Director of the Company.	◯	◯
3. To re-appoint Messrs Ernst & Young, as Auditors and to authorize the Directors to determine their remuneration.	◯	◯
4. To authorize the Directors to determine and make Donations	◯	◯

*Signature/S: ....

Date: ....

Note:

(1) *Please delete the inappropriate words.

(2) A proxy need not be a shareholder of the Company.

(3) Instructions as to completion are noted on the reverse hereof.

FORM OF PROXY

INSTRUCTIONS FOR COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.

2. The completed Proxy should be forwarded to the Company for deposit at the Registered Office through the Company Secretaries, Softlogic Corporate Services (Pvt) Ltd, No.14, De Fonseka Place, Colombo 05, marked "ODEL PLC – Annual General Meeting" or email corporateservices@softlogic.lk not later than 48 hours before the time appointed for the Meeting.

   In forwarding the completed and duly signed Proxy to the Company, please follow the Guidelines and Attendance Registration Process for the Annual General Meeting attached to the Notice of Annual General Meeting.

3. The Proxy shall –

   (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.

   (b) In the case of a Company or Corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or Corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)

4. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.

NOTES

NOTES

CORPORATE INFORMATION

NAME OF COMPANY
Odel PLC

LEGAL FORM
Public Limited Liability Company
Incorporated in Sri Lanka in 1990

REGISTERED OFFICE OF THE COMPANY
475/32, Kotte Road, Rajagiriya.

COMPANY REGISTRATION
NO. PV 7206 PQ

DIRECTORS
Mr. A K Pathirage
Chairman/Executive Director

Mr. H K Kaimal
Non Executive Director

Dr. S Selliah
Independent Non Executive Director

Mr. R P Pathirana
Independent Non Executive Director

Dr. I C R De Silva
Independent Non Executive Director

Mr. J. M. Jayanth Perera
Independent Non Executive Director
(Appointed with effect from 29th June 2021)

AUDIT COMMITTEE
Mr. R P Pathirana
Chairman

Dr. S Selliah

Dr. I C R De Silva

Mr. J M J Perera
(Appointed with effect from 12th August 2021)

REMUNERATION COMMITTEE
Mr. R P Pathirana

Dr. S Selliah

Mr. J M J Perera
(Appointed with effect from 12th August 2021)

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
Dr. I C R De Silva

Chairperson

Mr. R P Pathirana

Mr. H K Kaimal

Mr. J M J Perera
(Appointed to the member of the Committee on 12th August 2021)

SECRETARIES AND REGISTRARS
Softlogic Corporate Services (Pvt) Ltd
No 14, De Fonseka Place, Colombo 5.

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

BANKERS
Bank of Ceylon
Commercial Bank
DFCC Bank
Hatton National Bank
Nation Trust Bank
Sampath Bank
Seylan Bank
Union Bank
Cargills Bank
National Development Bank

INVESTOR RELATIONS
Odel PLC 475/32, Kotte Road,
Rajagiriya.

Tel : 0115885000

web : www.odel.lk

ODEL

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