DUTCH LANKA ENGINEERING (PRIVATE) LIMITED

FINANCIAL STATEMENTS

31 MARCH 2020

Building a better working world

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

WRHDS/NM/JJ

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF DUTCH LANKA ENGINEERING (PRIVATE) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Dutch Lanka Engineering (Private) Limited ("Company"), which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statements of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Responsibilities of management and those charged with governance for the financial statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

ey (Contd...2/)

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

Ernst & Young

10 July 2020
Colombo

Dutch Lanka Engineering (Private) Limited

STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

ASSETS	Note	2020 Rs.	2019 Rs.
Non-Current Assets			
Property, Plant and Equipment	3	73,657,699	63,002,917
Right of Use Assets	3.4	25,073,031	-
Deferred Tax Asset	15.2	1,044,090	501,419
		99,774,820	63,504,336
Current Assets			
Inventories	4	87,153,933	105,348,889
Trade and Other Receivables	5	24,206,110	42,655,574
Tax Receivables		2,160,261	2,191,843
Cash and Bank Balances	6	66,127,536	59,705,321
		179,647,840	209,901,627
Total Assets		279,422,660	273,405,963
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	7	11,500,000	11,500,000
Retained Earnings		79,691,553	108,982,957
Total Equity		91,191,553	120,482,957
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	10	35,473,255	23,468,334
Defined Benefit Obligations	8	5,674,332	4,768,555
		41,147,587	28,236,889
Current Liabilities			
Trade and Other Payables	9	53,458,365	44,004,707
Tax Payable		-	-
Interest Bearing Loans and Borrowings	10	93,625,155	80,681,410
		147,083,520	124,686,117
Total Equity and Liabilities		279,422,660	273,405,963

These Financial Statements are in compliance with the requirements of the Companies Act No.7 of 2007.

....

Financial Controller

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by:

P. P. Hitorasin

.... Director

.... Director

The Accounting policies and notes on pages 07 to 31 form an integral part of these Financial Statements.

ERNST & YOUNG Chartered Accountants COLOMBO

10 July 2020
Colombo

Dutch Lanka Engineering (Private) Limited

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2020

	Note	2020 Rs.	2019 Rs.
Revenue from contracts with customers	11	199,559,886	314,742,846
Cost of Sales		(187,604,409)	(267,038,258)
Gross Profit		11,955,477	47,704,588
Other Income	12	5,205,122	1,914,087
Selling and Distribution Expenses		(816,438)	(320,729)
Administrative Expenses		(35,520,582)	(33,685,311)
Finance Expenses	13.1	(17,076,732)	(12,569,096)
Finance Income	13.2	6,658,673	5,956,265
(Loss) / Profit before Tax		(29,594,478)	8,999,805
Income Tax Expenses	15	164,849	(2,413,879)
(Loss) / Profit for the year		(29,429,629)	6,585,926
Other Comprehensive Income			
Acturial Gain / (loss) on retirement Benefits	8	191,979	(830,533)
Income Tax Effect		(53,754)	232,549
Total Comprehensive Income		(29,291,404)	5,987,942
(Loss) / Earnings per Share		(25.59)	5.73

The Accounting policies and notes on pages 07 to 31 form an integral part of these Financial Statements.

ERNST & YOUNG
Chartered Accountants
COLOMBO

Dutch Lanka Engineering (Private) Limited

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2020

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 April 2018	11,500,000	102,995,015	114,495,015
Profit for the year	-	6,585,926	6,585,926
Other Comprehensive Income	-	(597,984)	(597,984)
Total Comprehensive Income for the year	-	5,987,942	5,987,942
Balance as at 31 March 2019	11,500,000	108,982,957	120,482,957
Loss for the year	-	(29,429,629)	(29,429,629)
Other Comprehensive Income	-	138,225	138,225
Total Comprehensive Income for the year	-	(29,291,404)	(29,291,404)
Balance as at 31 March 2020	11,500,000	79,691,553	91,191,553

The Accounting policies and notes on pages 07 to 31 form an integral part of these Financial Statements.

ERNST & YOUNG
Chartered Accountants
COLOMBO

Dutch Lanka Engineering (Private) Limited

STATEMENT OF CASH FLOW

Year ended 31 March 2020

Cash Flows from/(used in) Operating Activities	Note	2020 Rs.	2019 Rs.
(Loss) / Profit before Income Tax Expenses		(29,594,478)	8,999,805
Adjustments for			
Depreciation	3.2	3,844,403	1,811,134
Depreciation on Lease assets -Lanka Industrial Estate Ltd		4,363,040	-
losses on fixed assets, CWIP and intangibles (write off)		4,533,427	(7,080,861)
Profit on sale of Property, Plant and Equipment	12	(3,825,000)	-
Finance Income		(6,658,673)	(5,956,265)
Finance Expenses	13	17,076,732	12,569,096
Provision of Defined Benefit Obligation	8	1,238,156	1,133,280
Provision for Bad and Doubtful Debts		230,195	317,929
Over / (Under) Provision for Obsolete Inventories	4	835,328	(464,543)
Exchange Loss	12	52,171	40,748
Operating (Loss) / Profit before Working Capital Changes		(7,904,700)	11,370,323
Decrease / (Increase) in Inventories		17,359,628	17,481,260
Decrease / (Increase) in Trade and Other Receivables		18,219,269	(2,769,238)
Decrease / (Increase) in Trade and Other Payables		9,453,658	(18,015,678)
Cash Generated from Operations		37,127,855	8,066,666
Finance Expenses paid		(17,076,732)	(12,569,096)
Interest Received		6,658,673	5,956,265
Gratuity paid	8	(140,400)	(1,045,840)
Tax paid		(399,995)	(5,368,585)
Net Cash from / (used in) Operating Activities		26,169,401	(4,960,590)
Cash Flows from/(used in) Investing Activities			
Acquisition of Property, Plant and Equipment	3.1	(48,468,682)	(33,939,741)
Proceeds from Sale of Property, Plant and Equipment		3,825,000	-
Net Cash used in Investing Activities		(44,643,682)	(33,939,741)
Cash Flows from/(used in) Financing Activities			
Repayment of Bank Loans	10.1	(107,167,379)	(142,823,584)
Proceeds from Bank Loans	10.1	103,859,981	172,334,931
Lease Granted	10.2	26,746,212	-
Principal Payment under Finance Lease Liabilities	10.2	(2,413,089)	(202,193)
Net Cash from / (used in) Financing Activities		21,025,726	29,309,154
Effect of Exchange Rate changes on Cash and Cash Equivalent		(52,171)	(40,748)
Net Increase/(Decrease) in Cash and Cash Equivalents		2,499,274	(9,631,925)
Cash and Cash Equivalents at the beginning of the year		33,667,801	43,299,725
Cash and Cash Equivalents at the end of the year	6	36,167,075	33,667,801

The Accounting policies and notes on pages 07 to 31 form an integral part of these Financial Statements.

ERNST & YOUNG Chartered Accountants COLOMBO

1. CORPORATE INFORMATION

1.1 General

Dutch Lanka Engineering (Private) Limited, is a private limited liability company incorporated and domiciled in Sri Lanka. The registered office of the company is at No. 575, Orumix Building, Nawala Road, Rajagiriya, and the principal place of the business is situated at No. 17/D/1, LINDEL Industrial Estate, Pattiwila Road, Sapugaskanda.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were manufacturing, selling, providing repair, maintenance and service of trailers.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking and controlling party is Dutch Lanka Trailer Manufacturers Limited which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The financial statements of Dutch Lanka Engineering (Private) Limited, for the period ended 31 March 2020 were authorized for issue in accordance with a resolution of the Board of Directors on 10 July 2020.

ERNST & YOUNG
Chartered Accountants
COLOMBO

2. BASIS OF PREPARATION

The financial statements of the Company comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and cash flow statement together with the Accounting Policies and Notes to the financial statements.

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards (SLFRSs/LKAS) promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL), and also in compliance with the requirements of the Companies Act No. 7 of 2007.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis unless stated otherwise and accounting policies are applied consistently.

2.3 Functional and Presentation Currency

The financial statements are presented in Sri Lanka Rupees (Rs), which is the Company's functional and presentation currency.

2.4 Materiality and Aggregation

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

2.5 Comparative Information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements.

No reclassifications have been made in the financial statement due to the adoption of SLFRS 15 and SLFRS 09.

2.6 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

2.7 Use of Estimates and Judgements

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.

ERNST & YOUNG
Chartered Accountants
COLOMBO

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 recognised in the period in which the estimates are revised if the revision affects only that period and any future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below.

Depreciation of Property, Plant and Equipment

Management assigns useful lives and residual values to property, plant and equipment based on the intended use of assets and the economic lives of these assets. Subsequent changes in circumstances such as technological advances or utilization of the assets concerned could result in the actual useful lives or residual values differing from initial estimates. Management reviews annually the residual values and useful lives of major items of property, plant and equipment. Refer Note 3. for useful lives used in depreciating Property, Plant and Equipment in the Company.

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 08.

Deferred Tax

Deferred tax asset of Rs. 8,684,640/- (2019: NIL) as at 31 March 2020 has not been recognized on the carried forward tax losses as the Company is unable to assess with reasonable certainty that taxable profits would be available to recover the deferred tax asset in the foreseeable future. If the Company recognize deferred tax asset, profit and equity would have increased by Rs. Rs. 8,684,640/- (2019: NIL). Further details on deferred taxes are disclosed in Note 15.2. 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 future tax planning strategies.

Company has computed deferred tax at the rate of 28% because 24% is still not enacted and it was considered as a provisional rate as of balance sheet date. Therefore, company has used 28% rate on deferred tax.

2.8 SIGNIFICANT ACCOUNTING POLICIES

2.8.1 Changes in Accounting Policies

2.8.1.1 New and amended standards and interpretations

The Company applied SLFRS 16 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019/20, but do not have an impact on the financial statements of the Company. IFRIC Interpretation 23 "Uncertainty over Income Tax Treatment" becomes effective for the annual periods beginning on or after 01 January 2019. The nature and effect of the changes as a result of adoption of this new Interpretation are described in Note 2.8.1.2 below. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

ERNST & YOUNG
Chartered
Accountants
COLOMBO

a) ***SLFRS 16 Leases***

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under SLFRS 16 is substantially unchanged from LKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in LKAS 17. Therefore, SLFRS 16 does not have an impact for leases where the Company is the lessor.

The Company adopted SLFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 January 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The effect of adopting SLFRS 16 is presented in note 3.4 to the Financial Statements.

Upon adoption of SLFRS 16, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with above, the Company applied SLFRS 16 from the date of transition.

For the year ended 31 March 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase
- in right-of-use assets, net of the decrease in 'Property, plant and equipment')
- 'Finance costs' increased
- Income tax expense' decreased relating to the tax effect of these changes in expenses
- Cash outflows from operating activities decreased and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities

2.8.1.2 Interpretations effective from 01st January 2019

(a) IFRIC Interpretation 23 "Uncertainty over Income Tax Treatment"

This Interpretation clarifies how to apply the recognition and measurement requirements in LKAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability, applying the requirements in LKAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

IFRIC 23 does not apply to taxes or levies outside the scope of LKAS 12 and does not specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- **Whether an entity considers uncertain tax treatments separately** - An entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments, based on which approach better predicts the resolution of the uncertainty

- **The assumptions an entity makes about the examination of tax treatments by taxation authorities** - In assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity shall assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

ERNST & YOUNG
Chartered
Accountants
COLOMBO

- **How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates -** If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings.

If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates by using either of the following methods, depending on which method the entity expects to better predict the resolution of the uncertainty:

- The most likely amount—the single most likely amount in a range of possible outcomes.
- The expected value—the sum of the probability-weighted amounts in a range of possible outcomes.
- How an entity considers changes in facts and circumstances - An entity shall reassess a judgment or estimate required by this Interpretation if the facts and circumstances on which the judgment or estimate was based change or as a result of new information that affects the judgment or estimate.

This Interpretation is effective for annual reporting periods beginning on or after 1st January 2019. The Company has applied IFRIC 23 in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates during the year. The Company does not have material uncertainties over the application of tax treatments that would require separate disclosures in the financial statements.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.9 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2020, based on available information, the management has assessed the existing and anticipated effects of COVID-19 on the Company and the appropriateness of the use of the going concern basis. In March 2020, each company evaluated the resilience of its businesses considering a wide range of factors under multiple stress tested scenarios , relating to expected revenue streams, cost management, profitability, the ability to defer non-essential capital expenditure, debt repayment schedules, if any, cash reserves and potential sources of financing facilities, if required, and the ability to continue providing goods and services to ensure businesses continue as least impacted as possible.

Having presented the outlook for company Board and after due consideration of the range and likelihood of outcomes, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

In determining the above significant management judgements, estimates and assumptions the impact of the COVID 19 pandemic has been considered as of reporting date and specific considerations have been disclosed under the relevant notes.

2.10 Foreign Currency Transactions

The financial statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

ERNST & YOUNG
Chartered
Accountants
COLOMBO

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 items 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 Statement of Other Comprehensive Income).

2.11 Current versus Non-Current Classification

The Company presents assets and liabilities in the statement of financial position as current and non-current.

An asset is classified as current when it is:

• Expected to be realised or intended to be sold or consumed in the normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

2.12 Property, Plant and Equipment

2.12.1 Basis of measurement

Property, Plant and equipment is stated at cost, 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. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company 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. Refer to Significant accounting judgments, estimates and assumptions and Provisions for further information about the recorded decommissioning Provision.

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.12.2 Depreciation

Depreciation is calculated by using a straight-line method on the cost of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

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.

ERNST & YOUNG
Chartered Accountants
COLOMBO

Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Company will have ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows;

Buildings	20 years
Plant and Machinery	4/12 years
Computer Equipment	5 years
Other Equipment	5/11 years
Furniture and Fitting	5 years
Electric Installations	5 years
Motor Vehicles	4 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognised.

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

2.13 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business less, the estimated cost of completion and the estimated costs necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formulae:

- All inventory items, except finished goods and work-in-progress are measured at weighted average directly attributable cost.
- Finished goods and work- in-progress are measured at cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less, the estimated cost of completion and the estimated costs necessary to make the sale.

2.14 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand and demand deposits that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

2.15 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's 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 Companies of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Ernst & Young Chartered Accountants COLOMBO

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

2.16.1 Financial Assets

2.16.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.16.1.2 Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories;

• Financial assets at amortised cost (debt instruments)

• Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

• Financial assets at fair value through profit or loss

All financial assets of the Company represent Financial assets at amortised cost (debt instruments). The Company measures financial assets at amortised cost if both of the following conditions are met:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and fixed deposits.

ERNST & YOUNG
Chartered
Accountants
COLOMBO

2.16.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e: removed from the Company's financial position) when:

The rights to receive cash flows from the asset have expired

Or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a) the Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.16.1.4 Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

• Trade receivables,

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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 considers a financial asset in default when contractual payments are 360 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. The losses arising from impairment are recognised in the income statement in administration costs.

2.16.2 Financial liabilities

2.16.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and finance leases.

2.16.2.2 Subsequent measurement

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit or Loss.

2.16.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

2.16.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if,

• There is a currently enforceable legal right to offset the recognised amounts and

• There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

ERNST & YOUNG
Chartered
Accountants
COLOMBO

2.16.4 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

2.17 Employee benefits

Defined contribution plan

A defined contribution plan is a post- employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The Company contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contribution respectively.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 08. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. Actuarial gains or losses are recognised in full in the Other Comprehensive Income.

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

The gratuity liability is not externally funded.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

ERNST & YOUNG
Chartered
Accountants
COLOMBO

2.18 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where 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. When the Company 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 Statement of Profit or Loss net of any reimbursement.

2.19 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.20 Revenue from Contracts with Customers

Revenue from contracts with customers is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

The following specific recognition criteria must also be met before revenue is recognised:

a) Sale of Goods

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods have passed to buyer with the Company retaining neither continuing managerial involvement to the degree usually associated with ownership, nor an effective control over the goods sold.

b) 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.

c) Other Income

Other income is recognised on an accrual basis.

2.21 Expenses

Expenses are recognized in the Statement of profit or loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to the Statement of profit or loss in the year in which the expenditure is incurred.

ERNST & YOUNG
Chartered Accountants
COLOMBO

2.22 Borrowing Costs

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

2.23 Taxation

2.23.1 Current Taxes

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.

2.23.2 Deferred Taxation

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

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability 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

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 where the deferred income 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; and

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.

ERNST & YOUNG
Chartered Accountants
COLOMBO

2.24 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

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

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to IAS 1 and IAS 8 are required to be applied for annual periods beginning on or after 1 January 2020.

The Company does not expect significant impact on its financial statements resulting from the application of the above standards, amendments and interpretations.

ERNST & YOUNG
Chartered Accountants
COLOMBO

3. PROPERTY, PLANT AND EQUIPMENT

3.1 Gross Carrying Amounts

	Balance As at 01.04.2019 Rs.	Additions Rs.	Transfers Rs.	Disposals / Written off Rs.	Balance As at 31.03.2020 Rs.
At Cost					
Buildings	24,223,150	22,599,747		-	46,822,897
Plant and Machinery	5,297,325	1,755,730	-	-	7,053,055
Computer Equipments	1,911,812	-	-	-	1,911,812
Other Equipments	5,990,869	-	-	-	5,990,869
Furniture and Fittings	2,009,763	790,209	-	-	2,799,972
Electrical Installations	2,332,763	-	-	-	2,332,763
Motor Vehicles	7,261,264	-	-	(5,200,000)	2,061,264
Total Gross Carrying Amount	49,026,945	25,145,686	-	(5,200,000)	68,972,632
Assets on Finance Lease					
Plant and Machinery	820,000	-	-	-	820,000
	820,000	-	-	-	820,000
In the Course of Construction					
Capital Work in Progress	33,182,058	17,276,882	(23,389,956)	(4,533,427)	22,535,557
	33,182,058	17,276,882	(23,389,956)	(4,533,427)	22,535,557
Total Gross Carrying Amount	82,209,004	42,422,568	(23,389,956)	(9,733,427)	92,328,188

3.2 Depreciation

	Balance As at 01.04.2019 Rs.	Charge for the year Rs.	Transfers Rs.	Disposal Rs.	Balance As at 31.03.2020 Rs.
At Cost					
Buildings	742,826	1,468,356	-	-	2,211,182
Plant and Machinery	4,741,281	448,610	-	-	5,189,891
Computer Equipments	1,234,717	213,016	-	-	1,447,733
Other Equipments	5,203,080	498,257	-	-	5,701,336
Furniture and Fittings	1,091,129	331,822	-	-	1,422,951
Electrical Instalations	-	466,553	-	-	466,553
Motor Vehicles	6,449,165	212,790	-	(5,200,000)	1,461,954
	19,462,196	3,639,403	-	(5,200,000)	17,901,599
Assets on Finance Lease					
Plant and Machinery	563,890	205,000	-	-	768,890
	563,890	205,000	-	-	768,890
Total Depreciation	20,026,087	3,844,403	-	(5,200,000)	18,670,490

3.3 Impairment

	Balance As at 01.04.2019 Rs.	Charge for the year Rs.	Transfers	Disposal Rs.	Balance As at 31.03.2020 Rs.
Capital Work in Progress	-	-	-	-	-
	-	-	-	-	-

ERNST & YOUNG
Chartered Accountants
COLOMBO

3. PROPERTY, PLANT AND EQUIPMENT (Contd...)

3.3 Net Book Value

	2020 Rs.	2019 Rs.
At Cost		
Land	-	-
Buildings	44,611,715	23,480,324
Plant and Machinery	1,863,165	556,044
Computer Equipments	464,079	677,096
Other Equipments	289,533	787,789
Furniture and Fittings	1,377,021	918,634
Electrical Instalations	1,866,210	2,332,763
Motor Vehicles	599,310	812,099
	51,071,032	29,564,750
Assets on Finance Lease		
Plant and Machinery	51,110	256,110
	51,110	256,110
In the Course of Construction		
Capital Work in Progress - Factory re-location	22,535,557	33,182,058
	22,535,557	33,182,058
Total Net Carrying Amount	73,657,699	63,002,917

3.4 INITIAL APPLICATION OF SLFRS 16 - LEASES

The Company as a lessee has applied SLFRS 16 as initial application with effect from 19 July 2019 with the sign off of new lease agreement and therefore the comparative information does not require any restatement. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

-the contract involves the use of an identi
-the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
-the Company has the right to direct the use of the asset

the Company recognises a right-of-use asset and a lease liability at the lease commencement date of 19 July 2019 signed with Dutch Lanka Engineering (Pvt) Limited. The right of use assets of the Company consist of Lanka Industrial Estate Ltd premises taken on rent.

RIGHTS OF USE ASSET

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the Dutch Lanka Engineering Private Limited's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The movement of Right of Use Lease assets of the Company is as follows;

Right of use asset - Dutch Lanka Engineering Private Limited

	Balance As at 01.04.2019	Additions	Advance Payment for Leases	Balance As at 31.03.2020
At Gross Value				
Lease - Lanka Industrial Estate Ltd	-	29,436,070	-	29,436,070
Depreciation				
Lease - Lanka Industrial Estate Ltd	-	4,363,040	-	4,363,040
Net Carrying Amount				
Lease - Lanka Industrial Estate Ltd				25,073,031

ERNST & YOUNG
Chartered Accountants
COLOMBO

3. PROPERTY, PLANT AND EQUIPMENT (Contd...)

3.5 Property, plant and equipment includes fully depreciated assets having a gross carrying amounts of Rs. 13,174,811/- (2019 - Rs. 18,327,161/-) including the re-estimated assets.

3.6 During the Financial year, the company acquired property, Plant & Equipment to the aggregate value of Rs. 42,422,568/- (Including Capital WIP Rs.17,276,882). Acquisitions through Cash payments amounting to Rs. 42,422,568/- (2019 - Rs. 41,020,601).

4. INVENTORIES

	2020 Rs.	2019 Rs.
Raw Materials	81,102,156	103,252,113
Work in Progress	9,189,327	5,410,505
Less: Provision for Slow Moving and Non Moving Inventory	(8,749,608)	(7,914,280)
Goods in Transit	5,612,058	4,600,551
	87,153,933	105,348,889

5. TRADE AND OTHER RECEIVABLES

	2020 Rs.	2019 Rs.
Trade Receivables - Others	6,300,567	29,775,339
Less: Provision for Bad and Doubtful Debts (Note 5.1)	(13,805)	(142,146)
	6,286,762	29,633,192
Advances and Prepayments - Others	5,742,750	4,293,739
Other Receivables - Others	12,176,597	8,728,642
	24,206,110	42,655,574

Trade receivables are non interest bearing and generally 31-90 day terms. As at 31 March, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor Impaired	Past due but not impaired 31-90 days	91-180 days	>180 days
	Rs.	Rs.	Rs.	Rs.	Rs.
31 March 2020	6,300,567	463,152	2,234,592	3,552,281	50,543
31 March 2019	29,775,339	25,622,858	3,583,510	-	568,971

5.1 Provision for Bad and Doubtful Debts

	2020 Rs.	2019 Rs.
At beginning of the year	142,147	2,381,185
Written off / Written back	(358,536)	(2,659,256)
Provision for the year	230,195	420,218
At end of the year	13,805	142,147

ERNST & YOUNG
Chartered Accountants
COLOMBO

6. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

Components of Cash and Cash Equivalents	2020 Rs.	2019 Rs.
Favourable Cash and Cash Equivalents Balance		
Cash at bank and in hand	54,414	29,034
Interest Receivable	154,607	182,958
Short Term Fixed Deposits	65,918,515	59,493,330
	66,127,536	59,705,321
Unfavourable Cash and Cash Equivalents Balance		
Bank Overdraft	(29,960,461)	(26,037,521)
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	36,167,075	33,667,801

7. STATED CAPITAL

	2020		2019	
	Number	Rs.	Number	Rs.
Fully paid Ordinary Shares	1,150,000	11,500,000	1,150,000	11,500,000
	1,150,000	11,500,000	1,150,000	11,500,000

8. DEFINED BENEFIT OBLIGATIONS

	2020 Rs.	2019 Rs.
Defined Benefit Plan - Gratuity		
At the beginning of the year	4,768,555	3,850,582
Charged for the year		
Interest Cost	524,541	404,311
Current Service Cost	713,615	728,969
Actuarial (Gain)/ Loss	(191,979)	830,533
Benefit paid	(140,400)	(1,045,840)
At the end of the year	5,674,332	4,768,555

Messrs.Acturial & Management Consultants (Pvt) Ltd, carried out an actuarial valuation of the defined benefit as at 31 March 2020. Appropriate compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2020	2019
Discount Rate	10.0%	11.0%
Salary Increase Rate	7.0%	9.0%
Retirement Age	55Years	55Years

(The employees who are over 55 years assumed to retire on their next birthday)

Sensitivity of Assumptions Used in the Actuarial Valuation

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

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

	1% Increase	1% Decrease
Discount rate assumed	(388,121)	440,307
Further salary increase	473,226	(422,532)

Assumption changed (while all other assumptions remain unchanged)	PV-DBO (Rs.)	PV-DBO (Rs.)
1% increase in discount rate (i.e. 11.50%)	5,286,211	5,674,332
1% decrease in discount rate (i.e. 9.50%)	6,114,639	5,674,332
1% increase in Salary Escalation rate (i.e. 9%)	6,147,558	5,674,332
1% decrease in Salary Escalation rate (i.e. 7%)	5,251,800	5,674,332

ERNST & YOUNG
Chartered Accountants
COLOMBO

9. TRADE AND OTHER PAYABLES

	2020 Rs.	2019 Rs.
Trade Payables	31,460,312	34,839,259
Other Payables - Related Parties (Note 9.1)	7,953,900	-
Sundry Creditors including Accrued Expenses	14,044,153	9,165,448
	53,458,365	44,004,707

9.1 Other Payables - Related parties

	Relationship	2020 Rs.	2019 Rs.
Dutch Lanka Trailer Manufacturers Ltd	Parent Company	7,953,900	-
		7,953,900	-

10. INTEREST BEARING LOANS AND BORROWINGS

	2020 Amount repayable within 1 year Rs.	2020 Amount repayable after 1 year Rs.	2020 Total Rs.	2019 Amount repayable within 1 year Rs.	2019 Amount repayable after 1 year Rs.	2019 Total Rs.
Bank Loans (Note 10.1)	59,849,160	14,588,000	74,437,160	54,409,595	23,334,962	77,744,557
Finance Lease (Note 10.2)	132,224	-	132,224	234,294	133,372	367,666
Finance Lease (Note 10.2)-Lanka	3,683,311	20,885,255	24,568,565	-	-	-
Bank Overdraft (Note 6)	29,960,461	-	29,960,461	26,037,521	-	26,037,521
	93,625,155	35,473,255	129,098,410	80,681,410	23,468,334	104,149,744

10.1 Bank Loans

	As at 31.03.2019 Rs.	Loans Obtained Rs.	Repayments Rs.	As at 31.03.2020 Rs.	Current As at 31.03.2020 Rs.	Non Current As at 31.03.2020 Rs.
Term Loans						
Hatton National Bank PLC	32,082,962	-	(8,746,962)	23,336,000	8,748,000	14,588,000
Import Loans						
Hatton National Bank PLC	35,903,437	64,876,504	(68,512,410)	32,267,531	32,267,531	-
Sampath Bank PLC	9,758,158	38,983,477	(29,908,006)	18,833,629	18,833,629	-
	77,744,557	103,859,981	(107,167,379)	74,437,160	59,849,160	14,588,000

10.2 Finance Leases

	As at 31.03.2019 Rs.	New Leases Obtained Rs.	Repayments Rs.	As at 31.03.2020 Rs.	Current As at 31.03.2020 Rs.	Non Current As at 31.03.2020 Rs.
Hatton National Bank PLC	409,248	-	(272,832)	136,416	136,416	-
Gross Liability	409,248	-	(272,832)	136,416	136,416	-
Finance Charges allocated to Future Periods	(41,582)	-	37,390	(4,192)	(4,192)	-
Net Liability	367,666	-	(235,442)	132,224	132,224	-

	As at 31.03.2019	New Leases Obtained	Repayments	As at 31.03.2020	Current As at 31.03.2020	Non Current As at 31.03.2020
Lease - Lanka Industrial Estate L	-	26,746,212	(2,177,647)	24,568,565	3,683,311	20,885,255

ERNST & YOUNG
Chartered Accountants
COLOMBO

11. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggrigation of Revenue

	2020 Rs.	2019 Rs.
Trailer Sales	127,296,593	259,792,897
General Fabrication Income	13,190,953	630,000
Spare Parts Sales	22,348,215	17,301,649
Repair & General Service Income	36,724,127	37,018,300
	199,559,886	314,742,846

12. OTHER INCOME

	2020 Rs.	2019 Rs.
Sundry Income	1,380,122	962,074
Sales Commissions over provision reversal	-	952,013
Profit on Disposal of Fixed Assets	3,825,000	-
	5,205,122	1,914,087

13. FINANCE COSTS AND FINANCE INCOME

	2020 Rs.	2019 Rs.
13.1 Finance Costs		
Interest Expense on Overdrafts	3,266,004	3,442,934
Interest Expense on Loans and Borrowings	10,871,017	9,055,523
Interest Expense on Lease	37,390	70,639
Interest Expense on Lease - -Lanka Industrial Estate Ltd	2,902,320	-
	17,076,732	12,569,096
13.2 Finance Income		
Interest Income	6,430,531	5,956,265
Interest Income on Ref.Dep.Lanka Industrial Estate Ltd	228,142	-
	6,658,673	5,956,265

14. PROFIT FROM OPERATING ACTIVITIES

Stated after Charging/(Crediting)

	2020 Rs.	2019 Rs.
Included in Cost of Sales		
Employees Benefits including the following	35,872,146	34,116,692
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	823,544	627,053
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	3,298,169	2,985,858
Depreciation	3,046,327	1,360,014
Included in General and Administration Expenses		
Employees Benefits including the following	15,419,317	13,023,089
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	343,026	360,126
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	1,697,567	1,425,390
Depreciation	798,076	451,120
Professional Fees	1,656,845	3,479,231
Donation	191,185	193,260
Included in Selling and Distribution Costs		
Provision for Bad and Doubtful Debts	(97,705)	(182,288)
Specific Provision for Bad and Doubtful Debts	327,900	602,506
Advertising	77,700	2,800

ERNST & YOUNG
Chartered Accountants
COLOMBO

15. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 March are as follows :

	2020 Rs.	2019 Rs.
Income Statement		
Current Income Tax		
Current Income Tax Charge (Note 15.1)	431,577	1,701,140
Deferred Income Tax		
Deferred Taxation Charge / (Reversal) on Actuarial Gain / Loss	53,754	(232,549)
Deferred Taxation Reversal on Re-assessment	(174,148)	(192,346)
Deferred Taxation Reversal (Note 15.2)	(422,278)	905,085
Income tax expense reported in the Statement of Comprehensive Income	(111,095)	2,181,329

15.1 A reconciliation between income tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :

	2020 Rs.	2019 Rs.
Accounting Profit before Income Tax	(29,594,478)	8,999,805
Disallowed income	(10,483,673)	-
Allowed Expenses	(9,805,315)	(5,394,969)
Disallowed Expenses	18,866,895	2,456,417
Taxable Profit from Business	(31,016,571)	6,061,253
Income Tax @ 28% (2019 - 28%)	-	1,697,151
Tax relating to previous years	431,577	3,989
Current Income Tax Charge	431,577	1,701,140
Tax Losses Utilized		
Losses incurred during the year	31,016,571	-
Tax Losses Carried Forward	31,016,571	-

15.2 Deferred Taxation

	Statement of Financial Position		Statement of Comprehensive Income	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Deferred Tax Liability				
Re-Estimation of Assets	(42,253)	(216,401)	174,148	192,346
Deferred Tax Assets				
Capital Allowances for Tax purpose	(830,693)	(1,229,577)	398,884	(808,764)
Warranty Provisions	328,223	612,201	(283,978)	(120,804)
Retirement Benefit Obligation	1,588,813	1,335,195	253,618	257,032
	1,044,090	501,419	368,524	(672,536)
Deferred Taxation Charge/(Reversal)			542,672	(480,189)
Net Deferred Tax Liability	1,044,090	501,419		

ERNST & YOUNG
Chartered Accountants
COLOMBO

16. EARNINGS PER SHARE

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

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

16.1 Amount used as the Numerator :

	2020 Rs.	2019 Rs.
Profit attributable to Ordinary Shareholders for Basic Earnings per Share	(29,429,629)	6,585,926

16.2 Number of Ordinary Shares used as Denominator :

Weighted Average Number of Ordinary Shares applicable to Basic Earnings per Share	1,150,000	1,150,000

17. COMMITMENTS AND CONTINGENCIES

17.1 Capital Expenditure Commitments

The Company does not have significant capital expenditure commitments as at the Reporting date.

17.2 Contingent Liabilities

The Company does not have significant contingent liabilities as at the Reporting date.

18. ASSETS PLEDGED

The following assets have been pledged as securities as at Reporting date.

Bank	Nature	Purpose	Facility Amount	Interest	Grace Period	Repayment Terms	Collateral
Hatton National Bank	Import Loan	To retire the bills drawn under the LOC	Rs. 24 Mn & Rs. 11 Mn	AWPLR+ 2%	120 days	Settlement of Full Loan	Cash Deposit of Rs. 52.56Mn and 13.89Mn
	Bank Overdraft	Meet working capital requirements	Rs. 15 Mn	AWPLR+ 2.25%	On Demand	-	
	Letter of Guarantee (LOG)	To issue Bid Bonds, Performance Bonds and Advance Payment Bonds	Rs. 2 Mn	1% commission	12 months	Renewed / Cancelled on Expiry	
	Short term Revolving Loan	To finance Local purchases of Steel, tyres and other spare parts	Rs. 10 Mn	AWPLR+ 2%	48 months	-	
	Term Loan	To meet relocation of DLE	Rs. 35 Mn	AWPLR+ 2.25%	48 months	-	
Sampath Bank	Import Loan	To retire the bills drawn under the LOC	Rs. 25 Mn	AWPLR+ 1.5%	90 days	Settlement of Full Loan	Primary mortgage bond for Rs.35Mn over stock in trade.
	Bank Overdraft	Meet working capital requirements	Rs. 10 Mn	AWPLR+ 1.5%	On Demand	-	

ERNST & YOUNG Chartered Accountants COLOMBO

19. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

19.1 Transaction with the Parent and Related Entities

	Parent Company		Affiliate Company		Total	
	2020	2019	2020	2019	2020	2019
Nature of Transactions	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 1st April	(2,085,711)	13,611,214	-	-	(2,085,711)	13,611,214
Sale of Goods	8,248,449	4,485,831	-	-	8,248,449	4,485,831
Rendering Services	1,008,072	-	-	-	1,008,072	-
Purchase of Goods	(4,005,934)	-	-	-	(4,005,934)	-
Receipt of Services	(511,543)	(12,275,497)	-	-	(511,543)	(12,275,497)
Funds Transferred	45,338,630	36,626,989	-	-	45,338,630	36,626,989
Expenses incurred on behalf of the Company	(55,945,863)	(44,534,248)	-	-	(55,945,863)	(44,534,248)
As at 31 March	(7,953,900)	(2,085,711)	-	-	(7,953,900)	(2,085,711)
Included in						
Other Payables	(7,953,900)	(2,085,711)	-	-	(7,953,900)	(2,085,711)
	(7,953,900)	(2,085,711)	-	-	(7,953,900)	(2,085,711)

19.2 Transactions with Key Management Personnel of the Company

The Key Management Personnel of the Company are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly including the members of the Board of Directors of the Company and that of its parent.

a) Key Management Personnel Compensation

	2020	2019
	Rs.	Rs.
Short-term Employee Benefits	-	-

b) Other Transactions

No material transactions have taken place during the year with the Key Management Personnel of the Company, which require disclosure in these Financial Statements other than those disclosed above.

19.3 Other Related Parties Disclosures

No material transactions have taken place during the year with the parties/entities in which Key Management Personnel or their Close Family Members have control, joint control or significant influence, which require disclosure in these Financial Statements.

ERNST & YOUNG
Chartered Accountants
COLOMBO

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise Interest Bearing loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits.

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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations.

The Company's interest rate includes a fixed and variable element, which is AWPLR + 1.5% to 2.5%

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

Trade receivables
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an individual credit limit and are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at 31 March 2020, the Company does not have any foreign currency debtors. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. (Additionally, a large number of minor receivables are grouped into homogenous Companys and assessed for impairment collectively.) The calculation is based on actually incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 5. The Company does not hold collateral as security.

Impact of COVID 19 on Credit Risk

Company does not expect any significant risks of the debtor defaults and no such credit risk identified upto reporting date as Company is very much coordinating with the customer and they are too bound by agreements. Also, there are no any estimated loss as a result of default as Company's assessment on such possible losses is insignificant and no such losses expected from major customers.

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2020 and 2019 is the carrying amounts as illustrated in Note 6.

Liquidity risk
The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, loans, and finance leases. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Impact of COVID 19 on Liquidity Risk
Company do not experience any risk with financial and/or non-financial covenant in relation to impacts of COVID 19 and even though there are clauses in some customer or supply agreements which may get triggered during this disruption of COVID 19, within ethical business platform no cancellations done or impose penalties as of reporting date. But a trailer being a capital asset Group experience requesting extensions/postpones of the expected customer offers. There is no any credit downgrade or other factors that could negatively impact the Company's ability to access adequate financing. Also, no credit downgrade has happened upto reporting date as the management is arranging the facilities with a prolong relationship with the banks. therefore, Company does not expect any major impacts on liquidity risk due to COVID 19 outbreak.

Chartered Accountants
COLOMBO

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd....)

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

Year ended 31 March 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Finance Lease	-	55,385	76,839	-	-	132,224
Finance Lease (Note 10.2)-Lanka Indus	-	781,691	2,901,619	20,885,255	-	24,568,565
Interest-bearing loans and borrowings	29,960,461	52,085,621	7,763,539	14,588,000	-	104,397,621
Trade and other payables	-	17,795,013	11,705,217	1,630,198	329,884	31,460,312
	29,960,461	70,717,709	22,447,214	37,103,453	329,884	160,558,722

Year ended 31 March 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.			
Finance Lease	-	55,385	178,911	133,371	-	367,666
Interest-bearing loans and borrowings	26,037,521	38,434,675	15,974,920	23,334,962	-	103,782,078
Trade and other payables	-	23,678,648	10,061,567	904,211	194,834	34,839,259
	26,037,521	62,113,322	26,036,487	24,239,173	194,834	138,989,003

Capital management

Capital includes the equity attributable to the equity holders.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	2020	2019
	Rs.	Rs.
Interest-bearing loans and borrowings (Note 10)	93,625,155	80,681,410
Trade and other payables (Note 9)	53,458,365	44,004,707
Less: cash and short-term deposits (Note 6)	(66,127,536)	(59,705,321)
Net debt	80,955,984	64,980,795
Equity	11,500,000	11,500,000
Total capital	11,500,000	11,500,000
Capital and net debt	92,455,984	76,480,795
Gearing ratio	88%	85%

21. EVENT OCCURING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the Balance Sheet date that require adjustment to or disclosure in the Financial Statements.

ERNST & YOUNG
Chartered
Acco...
COLOMB...

DUTCH LANKA ENGINEERING (PRIVATE) LIMITED

DETAILED EXPENDITURE STATEMENT
YEAR ENDED 31 MARCH 2020

Dutch Lanka Engineering (Private) Limited

DETAILED COST AND EXPENDITURE STATEMENTS

Year ended 31 March 2020

STATEMENT - I

Cost of Sales	**2020 Rs.**	**2019 Rs.**
Raw Materials	131,324,381	211,982,186
Direct Labour Charges	33,247,174	31,522,222
Factory Overheads	23,032,854	23,533,851
	187,604,409	267,038,258

Raw Materials	**2020 Rs.**	**2019 Rs.**
Cost of Repairs & General Services	25,079,874	26,244,574
Cost of Trailers	83,376,342	174,061,468
Cost of General Fabrication	6,692,968	218,884
Cost of Spares Sold	16,175,197	11,457,259
	131,324,381	211,982,186

Direct Labour Charges	**2020 Rs.**	**2019 Rs.**
Factory wages	19,706,346	17,837,201
Casual Wages	1,347,100	1,587,138
Factory -O/T	4,913,031	5,884,019
Factory Leave Encashment	270,902	307,206
EPF- Factory	2,401,069	2,176,036
ETF - Factory	600,265	540,595
Factory Ex-gratia	661,709	148,018
Bonus - Factory	2,523,209	2,414,956
Gratuity Expense Factory Workers	823,544	627,053
	33,247,174	31,522,222

Factory Overheads	**2020 Rs.**	**2019 Rs.**
Building Maintenance	4,891	12,422
Electrical Charges	1,479,581	533,380
Fork Lift Hire & Running Expenses	408,532	469,157
Fork Lift Fuel Expenses	-	297,100
Machine Maintenance	412,433	572,059
Transport	16,000	119,000
Factory Staff Wages	1,919,846	1,725,397
Factory Staff OT	239,098	467,536
Factory Staff Allowances	97,500	93,500
Factory Staff EPF	237,469	215,997
Factory Staff ETF	59,367	53,230
Factory Staff Leave Encash	71,692	38,810
Gratuity Expense Factory Staff	71,586	146,101
Compressor Hire & Running Charges	105,000	132,160
Generator Running Expenses	17,680	1,288,210
Security Charges	4,797,550	3,772,963
Import / Export Expenses	313,829	342,127
Factory Maintenance	1,566,567	1,113,936
Factory Welfare	1,749,390	2,110,513
Depreciation - Factory	3,046,327	1,360,014
Depreciation Lease assets - Lanka Industrial Estate Ltd	4,363,040	-
Rent - Factory	1,785,476	8,430,139
House rent	270,000	240,100
	23,032,854	23,533,851

ERNST & YOUNG Chartered Accountants COLOMBO

STATEMENT - II

SELLING AND DISTRIBUTION EXPENSES

	2020 Rs.	2019 Rs.
Advertising	77,700	2,800
Sales & Collection Commissions	508,543	-
Specific Provision for Bad and Doubtful Debts	327,900	602,506
General Provision for Bad and Doubtful Debts	(97,705)	(182,288)
Bad debts written off	-	(102,288)
	816,438	320,729

STATEMENT - III

ADMINISTRATION EXPENSES

	2020 Rs.	2019 Rs.
Salaries and Wages	11,445,925	9,681,684
EPF and ETF	1,697,567	1,425,390
Gratuity	343,026	360,126
Overtime, Bonus and Rewards	1,932,799	1,555,889
Travelling Expenses	7,270,063	7,698,239
Postage, Telephone and Telecommunication	489,507	477,121
Repairs and Maintenance	196,590	48,579
Stationery and Other Office Expenses	346,737	435,318
Depreciation	798,076	451,120
losses on fixed assets, CWIP and intangibles (write off)	5,225,078	-
Training Courses	10,809	12,500
Various Expenses	2,978,087	6,439,870
Professional Fees	1,656,845	3,479,231
Energy Cost and Water	227,591	249,766
Insurance Expenses	154,995	193,051
Subscription Exp.	12,930	-
Donations	191,185	193,260
Bank Charges	486,551	909,116
Recruitment	4,050	34,305
Exchange Loss	52,171	40,748
	35,520,582	33,685,311

ERNST & YOUNG
Chartered Accountants
COLOMBO