

**DUTCH LANKA TRAILER MANUFACTURERS LIMITED AND
ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2023

CAY/DG/DM

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF DUTCH LANKA TRAILER MANUFACTURERS LIMITED**

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Dutch Lanka Trailer Manufacturers Limited ("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 2023, and the statement of profit or loss, 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 2023, 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 ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting 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 financial reporting process of both Company and Group.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Contd...2/)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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.

11 July 2023
Colombo

Santhi E. Jayaraj

As at 31 March 2023

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

Chief Financial Officer

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

Director

Director

The Accounting Policies and Notes on pages 08 to 40 form an integral part of these financial statements.



Dutch Lanka Trailer Manufacturers Limited and its Subsidiaries

STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2023

	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revenue from Contracts with Customers	15	3,401,654,852	2,364,690,439	3,211,533,974	1,958,575,146
Cost of Sales		(1,671,883,246)	(1,860,496,457)	(1,484,365,850)	(1,437,734,248)
Gross Profit		1,729,771,606	504,193,981	1,727,168,124	520,840,898
Other Operating Income and Gains	16	15,247,755	22,839,325	9,360,468	21,374,875
Selling and Distribution Expenses		(461,043,255)	(265,071,837)	(592,856,535)	(263,950,787)
Administrative Expenses		(378,188,519)	(245,126,206)	(327,423,138)	(208,117,705)
Operating Profit		905,787,588	16,835,263	816,248,919	70,147,281
Finance Costs	17	(199,294,367)	(69,025,233)	(164,481,456)	(55,941,918)
Finance Income	17.1	125,170,952	45,714,455	116,468,129	42,138,436
Profit Before Tax	18	831,664,173	(6,475,515)	768,235,592	56,343,799
Tax Expenses	19	(136,600,201)	(6,707,176)	(137,186,963)	(6,550,855)
Profit/ (Loss) for the Year		<u>695,063,971</u>	<u>(13,182,691)</u>	<u>631,048,628</u>	<u>49,792,944</u>
Attributable to:					
Equity-holders of the parent		695,063,971	(13,182,691)		
Non-Controlling Interests		-	-		
		<u>695,063,971</u>	<u>(13,182,691)</u>		

The Accounting Policies and Notes on pages 08 to 40 form an integral part of these financial statements.



Dutch Lanka Trailer Manufacturers Limited and its Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2023

	Note	Group 2023 Rs.	Group 2022 Rs.	Company 2023 Rs.	Company 2022 Rs.
Profit / (Loss) for the Year		695,063,971	(13,182,691)	631,048,628	49,792,944
Other Comprehensive Income		-	-	-	-
Other Comprehensive Income that will not to be reclassified to Profit					
Actuarial Gain/(loss) on retirement Benefits	13	(9,525,732)	(1,437,850)	(7,355,313)	(1,149,915)
Income Tax Effect		2,857,720	241,610	2,206,594	160,988
Fair value gain through OCI on Equity accounted Instruments		404,600	-	404,600	-
Other Comprehensive Income relating to Equity Accounted Investee		-	-	-	-
Revaluation of Property, Plant and Equipment		-	-	-	-
Effect of translation of foreign currency		-	-	-	-
Other Comprehensive Income for the Year		(6,263,412)	(1,196,240)	(4,744,119)	(988,927)
Total comprehensive income for the year, net of tax		688,800,559	(14,378,931)	626,304,509	48,804,017

The Accounting Policies and Notes on pages 08 to 40 form an integral part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2023

Group	Stated Capital Rs.	Other Reserve Rs.	Revaluation Reserve Rs.	Foreign Currency Translation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 April 2021	312,228,618	-	18,708,474	-	643,894,304	974,831,396
Profit for the Year	-	-	-	-	(13,182,691)	(13,182,691)
Other Comprehensive Income	-	-	-	-	(1,196,240)	(1,196,240)
Total Comprehensive Income	-	-	-	-	(14,378,931)	(14,378,931)
Balance as at 31 March 2022	312,228,618	-	18,708,474	-	629,515,373	960,452,465
Loss for the Year	-	-	-	-	695,063,971	695,063,971
Other Comprehensive Income	-	-	-	-	(6,263,412)	(6,263,412)
Exchange translation realised	-	-	-	-	-	-
Effect of translation of foreign currency	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	688,800,559	688,800,559
Transferred on Disposal of Joint Venture	-	-	-	-	-	-
Balance as at 31 March 2023	312,228,618	-	18,708,474	-	1,318,315,932	1,649,253,024
Company						
	Stated Capital Rs.		Revaluation Reserve Rs.		Retained Earnings Rs.	Total Rs.
Balance as at 01 April 2021	312,228,618		18,708,474		613,603,633	944,540,725
Profit for the Year	-		-		49,792,944	49,792,944
Other Comprehensive Income	-		-		(988,927)	(988,927)
Total Comprehensive Income	-		-		48,804,017	48,804,017
Balance as at 31 March 2022	312,228,618		18,708,474		662,407,650	993,344,742
Profit for the Year	-		-		631,048,628	631,048,628
Other Comprehensive Income	-		-		(4,744,119)	(4,744,119)
Total Comprehensive Income	-		-		626,304,509	626,304,509
Balance as at 31 March 2023	312,228,618		18,708,474		1,288,712,159	1,619,649,251

The Accounting Policies and Notes on pages 08 to 40 form an integral part of these financial statements.



Dutch Lanka Trailer Manufacturers Limited and it's Subsidiaries

STATEMENT OF CASH FLOWS

Year ended 31 March 2023

	Note	Group		Company	
		2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Cash Flows from/(used in) Operating Activities					
Profit Before Tax		831,664,173	(6,475,515)	768,235,592	56,343,802
Non-cash adjustment to reconcile profit before tax to net cash flows:					
Depreciation of property Plant and Equipments	3	20,181,695	18,132,285	13,642,308	11,284,472
Depreciation on Right of Use Assets	3.1.7	8,511,000	9,012,741	2,263,722	3,294,553
Provision for Impairment Losses on Investment		-	-	11,500,000	-
Provision for Defined Benefit Obligations	13	10,759,463	3,266,869	8,795,049	2,410,995
Provision for Bad and Doubtful Debts	6	11,470,645	116,435	11,454,999	-
Provision for Inventories	5	(1,409,825)	2,514,355	(2,673,212)	2,737,173
Finance Income	17.1	(125,170,952)	(45,714,455)	(116,468,129)	(42,138,436)
Finance Costs	17	199,294,367	69,025,233	164,481,456	55,941,918
Dividend income		(6,300)	(2,380)	(6,300)	(2,380)
Foreign Currency Exchange Loss/(Gains)	16	108,905,986	49,349,114	71,414,754	46,589,597
Operating Profit before Working Capital Changes		1,064,200,252	99,224,682	932,640,239	136,461,693
Working capital adjustments:					
(Increase)/Decrease in Inventories		542,120,685	(648,433,522)	471,461,553	(622,879,205)
(Increase)/Decrease in Trade and Other Receivables		374,654,248	(470,626,305)	391,168,602	(456,270,756)
(Increase)/Decrease in Advances and Prepayments		(277,162,105)	10,582,050	(278,162,307)	13,249,365
(Increase)/Decrease in Amounts due from Related Parties		-	-	-	-
Increase/(Decrease) in Trade and Other Payables		(754,061,206)	682,503,345	(641,228,161)	599,566,610
		949,751,874	(326,749,750)	875,879,927	(329,872,292)
Finance Cost Paid	17	(199,294,367)	(69,025,233)	(164,481,456)	(55,941,918)
Income Tax Paid		(12,695,253)	(828,722)	(12,335,758)	(1,573,094)
Interest Received	17.1	125,170,952	45,714,455	116,468,129	42,138,436
Defined Benefit Obligation Paid	13	(6,177,891)	(965,000)	(4,278,747)	(662,850)
Net Cash from Operating Activities		856,755,315	(351,854,250)	811,252,095	(345,911,718)
Cash Flows from / (Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	3	(12,997,530)	(6,217,585)	(12,210,575)	(4,483,251)
Investment in Fixed Deposits	7	(390,866,874)	(901,400,208)	(383,077,906)	(898,262,900)
Proceeds from Sale of Investments	4.2	-	-	-	-
Dividend Received		6,300	2,380	6,300	2,380
Net Cash from/(used in) Investing Activities		(403,858,104)	(907,615,413)	(395,282,181)	(902,743,771)
Cash Flows from/(used in) Financing Activities					
Repayment of Interest Bearing Loans and Borrowings	12	(3,157,880,480)	(1,428,356,601)	(2,989,875,840)	(1,287,099,806)
Receipts of Interest Bearing Loans and Borrowings	12	2,541,197,653	2,139,409,503	2,365,743,085	1,990,786,027
Exchange gain loss on loans and borrowings		173,995,727	-	173,995,726	-
Lease Granted	12.1	-	-	-	-
Refundable Deposit		(886,904)	(575,130)	-	-
Principal Payment under Finance Lease Liabilities	12	(6,909,972)	(6,264,078)	(1,731,288)	(1,656,435)
Net Cash Flows used in Financing Activities		(450,483,975)	704,213,694	(451,868,318)	702,029,787
Net Increase/(Decrease) in Cash and Cash Equivalents		2,413,236	(555,255,968)	(35,898,404)	(546,625,702)
Effect of Exchange Rate changes on Cash and Cash Equivalent		(104,663,131)	(33,929,849)	(67,171,899)	(31,170,332)
Cash and Cash Equivalents at the beginning of the year		(82,142,471)	507,043,346	(53,736,343)	524,059,692
Cash and Cash Equivalents at the end of the year	10	(184,392,366)	(82,142,471)	(156,806,645)	(53,736,343)

The Accounting Policies and Notes on pages 08 to 40 form an integral part of these financial statements.



1. CORPORATE INFORMATION

1.1 General

Dutch Lanka Trailer Manufacturers Limited is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the company is located at No 35A, 2nd Floor, Dr. N.M. Perera Mawatha, Colombo 8 and principal place of business of the Company is located at Naththandiya Road, Dankotuwa.

The financial statements for the year ended 31 March 2023, comprises “the Company” referring to Dutch Lanka Trailer Manufacturers Limited as the holding company and “the Group” referring to the companies whose accounts have been consolidated therein.

1.2 Principal Activities and Nature of Operations

Holding Company

Dutch Lanka Trailer Manufacturers Limited, the group’s holding company, manages portfolio of holdings consisting of business operations in the same line of industry. It is also engaged in manufacturing and selling of trailers of all types.

Subsidiaries

The Subsidiary of the Group is engaged in the business of production, manufacture, sale and distribution of Trailers of all types and description for the carriage of Cargo containers and all other goods of like nature.

There were no significant changes in the nature of principal activities of the Company and the Group during the financial year under review.

1.3 Parent and Ultimate Parent Entity

In the opinion of Directors, the Company’s ultimate parent undertaking and controlling party is TRF Limited which is incorporated and domiciled in India.

1.4 Date of Authorization for Issue

The Financial Statements for the year ended 31 March 2023 were authorized for issue by the Board of Directors on 11 July 2023.



2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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 (SLFRS's and LKAS's) promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL) and with the requirements of the Companies Act No. 7 of 2007.

2.1.1 Basis of Measurements

The financial statements have been prepared on a historical cost basis, except for the financial instruments are measured at fair value through profit or loss are measured at fair value and unless otherwise indicated in these financial statements.

2.1.2 Statement of Compliance

The financial statements which of comprises the Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes in Equity, Cash Flow statements together with accounting policies and notes have been prepared in accordance with the Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 7 of 2007.

2.1.3 Going Concern

The Group has prepared the financial statements for the year ended 31 March 2023 on the basis that it will continue to operate as a going concern. In determining the basis of preparing the financial statements for the year ended 31 March 2023, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the Group Companies and the appropriateness of the use of the going concern basis.

It is the view of the management that there are no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. The management has formed judgment that the Company & its subsidiary have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the TRF Group.

In determining the above significant management judgements, estimates and assumptions, the impact of the macroeconomic uncertainties, including supply chain disruptions, power interruptions and distribution challenges on account of the prevailing foreign exchange market limitations, and the COVID-19 pandemic have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant

2.1.4 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2023.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.



Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. 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 assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate

The following subsidiary has been incorporated in Sri Lanka.

Name of the Company	Holding Percentage	
	31.03.2023	31.03.2022
Dutch Lanka Engineering (Private) Limited	100%	100%

2.2 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements of the group requires the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the group'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.

a) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

b) Defined Benefit Plans

The cost of the retirement benefit plan of employees is determined using an actuarial valuation. The actuarial valuation is based on assumptions concerning the rate of interest, rate of salary increase, special premium, retirement age and going concern of the Company. Due to the long term nature of the plan, such estimates are subject to significant uncertainty.

c) Transfer Pricing Regulation

The Company is subject to income taxes and other taxes including transfer pricing regulations. Prevailing uncertainties with respect to the interpretation of respective transfer pricing regulations, necessitated using management judgment to determine the impact of transfer pricing regulations. Accordingly, critical judgments and estimates were used in applying the regulations in aspects including but not limited to identifying associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism. The current tax charge is subject to such judgments. Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.



2.3 Significant Accounting Policies

2.3.1 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to Groups of cash generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognized. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit.

2.3.2 Foreign Currency Translations

The Group's consolidated financial statements are presented in Sri Lankan rupees, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the income statement with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income. 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 is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

Group companies

The assets and liabilities of foreign operations are translated into Sri Lankan Rupee at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in the statement of comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.



2.3.3 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 in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in Statement of changes in equity is also recognized in Statement of changes in equity and not in the Statement of comprehensive Income. 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:

- Where 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:

- Where 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 and interests in operations, 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 items are recognised in correlation to the underlying transaction either in statement of 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. Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

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.

2.3.4 Property, Plant and Equipment

Basis of measurement

Property, Plant and equipment is stated at cost except for freehold land, 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 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 statement of comprehensive income 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 equipments are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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 statement of comprehensive income 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.



2.3.5 Leases

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.

2.3.5.1 Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

I) 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 and the estimated useful lives of the assets, as follows:

• Land	05 years
• Plant & Machinery	04 Years
• Forklift	04 Years
• Motor Vehicle	04 Years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

II) Lease liabilities

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 for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings (Note 12).



III) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.3.6 Borrowing costs

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

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

2.3.7 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.

2.3.7.1 Financial Assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) 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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group 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 amortized 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.

Debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.



b) Subsequent Measurement

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

- Financial assets at amortized 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 de-recognition (equity instruments)
- Financial assets at fair value through profit or loss

c) Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred substantially all the risks and rewards of the asset.

d) Impairment

Group adopts forward-looking expected credit loss (ECL) approach.

Trade receivables and prepayments

Company applied the simplified approach in calculating the expected credit loss of the trade receivables & prepayments. However, the adoption of the ECL requirements of SLFRS 9 did not result in any material increases in impairment allowances of the company's debt financial assets.

2.3.8 Financial liabilities

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

2.3.8.2 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.



2.3.8.3 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.

2.3.9 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

2.3.10 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.

2.3.11 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials:

- Purchase cost on weighted average basis

Finished goods and work in progress:

- 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 estimated costs of completion and the estimated costs necessary to make the sale.

2.3.12 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

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



2.3.13 Provisions

Provisions are recognized when the Group 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 group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

2.3.14 Retirement Benefit Obligations

a) Defined Contribution Plans – Employees’ Provident Fund & Employees’ Trust Fund

Employees are eligible for Employees’ Provident Fund Contributions and Employees’ Trust Fund Contributions in line with the respective statutes and regulations in Sri Lanka. The Company contributes 12% and 3% of gross emoluments of employees to Employees’ Provident Fund and Employees’ Trust Fund respectively.

b) Defined Benefit Plan – Gratuity

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 13. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The Group’s accounting policy for defined benefit plans is to recognise actuarial gains and losses in the period in which they occur in full in statement of comprehensive income in accordance with LKAS 19. Accordingly, the Group recognised all cumulative actuarial gains and losses at the date of transition to SLFRS. Further details are disclosed in financial statements. The gratuity liability is not externally funded.

2.3.15 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 such indication exists, or when annual impairment testing for an asset is required, the Group 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 or cash-generating unit, unless the asset or cash-generating unit does not generate cash inflows that are largely independent of those from other assets or cash-generating units. Where the carrying amount of an asset 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, an appropriate valuation model is used.



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

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 makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot "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 revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

2.3.16 Income Statement

Revenue from contract with Customers

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and associated costs incurred or to be incurred 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, net of trade discounts and sales taxes. The following specific recognition criteria are used for the purpose of recognition of revenue:

Sale of Goods

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods which include one performance obligation. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration.

2.3.17 Revenue from other income sources

Dividend and interest income

Dividend income from investments is recognised when the Company's right to receive payment has been established. Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimates future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Others

Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment has been accounted for in the Statement of Profit or Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.



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.

Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 – Interest Rate Benchmark Reform (Phase 1 & 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.

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

The following new accounting standards, amendments 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 new accounting standards, amendments and interpretations, if applicable, when they become effective.

Amendments to SLFRS 3: Definition of a Business

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.

SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace IFRS 4 Insurance Contracts (SLFRS 4). SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. SLFRS 17 is effective for annual reporting periods beginning on or after 01 January 2023.



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.

Amendments to LKAS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

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.



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

Amendments to LKAS 1 Presentation of Financial Statements 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

Amendments to LKAS 1 and IFRS Practice Statement 2

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- '- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- '- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures



Dutch Lanka Trailer Manufacturers Limited and its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. PROPERTY, PLANT AND EQUIPMENT

3.1 Group

3.1.1 Gross Carrying Amounts

	Balance as at 01.04.2022 Rs.	Additions Rs.	Disposal/ Write off Rs.	Balance as at 31.03.2023 Rs.
At Valuation				
Land	65,740,600	-	-	65,740,600
At Cost				
Buildings	235,785,993	3,363,890	-	239,149,883
Plant and Machinery	101,637,970	11,329,823	-	112,967,794
Computer Equipments	25,413,874	5,207,505	-	30,621,379
Other Equipments	23,552,267	215,141	-	23,767,407
Furniture and Fittings	13,348,666	64,894	-	13,413,560
Electrical Installations	9,215,849	-	-	9,215,849
Motor Vehicles	5,070,817	-	-	5,070,817
Total Value of Depreciable Assets	479,766,037	20,181,253	-	499,947,290

3.1.2 In the Course of Construction

	Balance as at 01.04.2022 Rs.	Incurred during the Year Rs.	Transfers Rs.	Balance as at 31.03.2023 Rs.
Capital Work in Progress	9,094,450	30,683	(8,308,895)	816,237
	9,094,450	30,683	(8,308,895)	816,237
	488,860,488	20,211,936	(8,308,895)	500,763,527

3.1.3 Depreciation

	Balance As at 01.04.2022 Rs.	Charge for the year Rs.	Disposals/ Write-off Rs.	Balance As at 31.03.2023 Rs.
Buildings	114,862,978	11,546,557	-	126,409,535
Plant and Machinery	94,356,032	3,973,397	-	98,329,429
Computer Equipments	23,189,576	1,831,436	-	25,021,013
Other Equipments	22,553,823	441,268	-	22,995,092
Furniture and Fittings	12,488,852	372,137	-	12,860,990
Electrical Installations	2,998,797	1,843,170	-	4,841,967
Motor Vehicles	4,897,087	173,730	-	5,070,817
Total Depreciation	275,347,146	20,181,695	-	295,528,841
	275,347,145	20,181,695	-	295,528,841



Dutch Lanka Trailer Manufacturers Limited and its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

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

3.1.4 Net Book Values

	2023 Rs.	2022 Rs.
Land	65,740,600	65,740,600
Buildings	112,740,349	120,923,015
Plant and Machinery	14,638,365	7,281,938
Computer Equipments	5,600,367	2,224,298
Other Equipments	772,316	998,443
Furniture and Fittings	552,571	859,814
Electrical Installations	4,373,882	6,217,052
Motor Vehicles	0	173,730
	<u>204,418,449</u>	<u>204,418,891</u>
Assets on Finance Lease		
Motor Vehicles	0	2,263,723
Forklift	(0)	(0)
Plant and Machinery	-	-
	<u>(0)</u>	<u>2,263,722</u>
In the Course of Construction		
Capital Work in Progress	816,237	9,094,450
	<u>816,237</u>	<u>9,094,450</u>
Total Carrying Amount of Property, Plant and Equipment	<u>205,234,686</u>	<u>213,513,340</u>

3.1.5 Right of Use Assets

	Balance as at 01.04.2022 Rs.	Leases obtained Rs.	Reversals / Adjustments Rs.	Balance as at 31.03.2023 Rs.
Cost				
Lindel Lease Land	29,159,657	1,094,489	-	30,254,146
Motor Vehicles	12,566,345	-	-	12,566,345
Forklift	8,837,146	-	-	8,837,146
Plant and Machinery	820,000	-	-	820,000
	<u>51,383,148</u>	<u>1,094,489</u>	<u>-</u>	<u>52,477,637</u>

	Balance As at 01.04.2022 Rs.	Charge for the year Rs.	Disposals/ Adjustment Rs.	Balance As at 31.03.2023 Rs.
Depreciation	-	-	-	-
Lindel Lease Land	16,026,757	6,247,278	-	22,274,034
Motor Vehicles	10,302,622	2,263,722	-	12,566,345
Forklift	8,837,146	-	-	8,837,146
Plant and Machinery	820,000	-	-	820,000
	<u>35,986,525</u>	<u>8,511,000</u>	<u>-</u>	<u>44,497,526</u>

Net Book Value

	As at 31 March 2023 Rs.	As at 31 March 2022 Rs.
Lindel Lease Land	7,980,111	13,132,900
Motor Vehicles	0	2,263,723
Forklift	-	(0)
Plant and Machinery	-	-
	<u>7,980,112</u>	<u>15,396,622</u>



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

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

3.2.1 Gross Carrying Amounts

	Balance As at 01.04.2022 Rs.	Additions Rs.	Disposals/ Write off Rs.	Balance As at 31.03.2023 Rs.
Land	65,740,600	-	-	65,740,600
Buildings	173,870,555	3,363,890	-	177,234,445
Plant and Machinery	92,260,609	11,660,830	-	103,921,438
Computer Equipments	23,502,062	5,207,505	-	28,709,567
Other Equipments	17,032,234	215,141	-	17,247,375
Furniture and Fittings	10,548,695	72,105	-	10,620,799
Electrical Installations	-	-	-	-
Motor Vehicles	3,009,553	-	-	3,009,553
Total Value of Depreciable Assets	385,964,307	20,519,470	-	406,483,777

3.2.2 In the Course of Construction

	Balance as at 01.04.2022 Rs.	Incurred During the year Rs.	Transfers Rs.	Balance as at 31.03.2023 Rs.
Capital Work in Progress	8,380,423	-	(8,308,895)	71,528
	8,380,423	-	(8,308,895)	71,528
Total Gross Carrying Amount	394,344,730	20,519,470	(8,308,895)	406,555,305

3.2.3 Depreciation

	Balance As at 01.04.2022 Rs.	Charge for the year Rs.	Disposals/ Write off Rs.	Balance As at 31.03.2023 Rs.
Buildings	106,920,362	8,450,785	-	115,371,147
Plant and Machinery	87,685,232	2,988,106	-	90,673,339
Computer Equipments	21,319,059	1,805,388	-	23,124,447
Other Equipments	16,430,072	291,679	-	16,721,751
Furniture and Fittings	10,261,610	106,350	-	10,367,960
Motor Vehicles	3,009,553	-	-	3,009,553
Total Depreciation	245,625,889	13,642,308	-	259,268,197



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

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

3.2.4 Net Book Values

	2023 Rs.	2022 Rs.
Land	65,740,600	65,740,600
Buildings	61,863,298	66,950,193
Plant and Machinery	13,248,100	4,575,377
Computer Equipments	5,585,120	2,183,003
Other Equipments	525,623	602,162
Furniture and Fittings	252,839	287,084
	<u>147,215,581</u>	<u>140,338,418</u>
In the Course of Construction		
Capital Work in Progress	71,528	8,380,423
	<u>71,528</u>	<u>8,380,423</u>
Total Carrying Amount of Property, Plant and Equipment	<u>147,287,109</u>	<u>148,718,841</u>

3.2.5 Right of Use Assets

	Balance as at 01.04.2022 Rs.	Leases obtained Rs.	Reversals / Adjustments Rs.	Balance as at 31.03.2023 Rs.
Cost				
Motor Vehicles	12,566,345	-	-	12,566,345
Forklift	8,837,146	-	-	8,837,146
	<u>21,403,491</u>	<u>-</u>	<u>-</u>	<u>21,403,491</u>

	Balance as at 01.04.2022 Rs.	Charge for the year Rs.	Reversals / Adjustments Rs.	Balance as at 31.03.2023 Rs.
Depreciation				
Motor Vehicles	10,302,622	2,263,722	-	12,566,345
Forklift	8,837,146	-	-	8,837,146
	<u>19,139,769</u>	<u>2,263,722</u>	<u>-</u>	<u>21,403,491</u>

Net Book Value

	As at 31 March 2023 Rs.	As at 31 March 2022 Rs.
Motor Vehicles	0	2,263,723
Forklift	(0)	(0)
	<u>(0)</u>	<u>2,263,722</u>



Dutch Lanka Trailer Manufacturers Limited and its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

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

3.3 Revaluation of land and buildings Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings. The Company engaged independent expert valuers to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. The most recent revaluation was carried out on 22nd June 2020.

3.4 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amounts of Rs. 163,206,376/- (2022 - Rs. 141,661,651/-).

3.5 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 20,519,470/- (Including transfers from CWP) (2022 - Rs.4,483,251/-). Acquisitions through Cash payments amounting to Rs. 12,210,575/- (2022 - Rs. 4,483,251/-).

3.6 The useful lives of the assets are estimated as follows;	2023 March	2022 March
Buildings	20 Years	20 Years
Plant and Machinery	04 Years	04 Years
Computer Equipments	04 Years	04 Years
Other Equipments	04 Years	04 Years
Furniture and Fittings	05 Years	05 Years
Motor Vehicles	04 Years	04 Years

4. INVESTMENTS IN SUBSIDIARIES

	Group		Company	
	Holding		Fair Value	Fair Value
Non-Quoted	2023 March	2022 March	2023 March	2022 March
	%	%	Rs.	Rs.
4.1 Investments in Subsidiaries				
Dutch Lanka Engineering (Private) Limited	100%	100%	11,500,000	11,500,000
Pro.for Dimi..in Value of DLE			(11,500,000)	
			-	11,500,000

4.2 Investment in Equity Accounted Instruments

	Group		Company	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
Opening Balance	75,600	75,600	75,600	75,600
Addition	-	-	-	-
Fair Value Gain or Loss through OCI	404,600	-	404,600	-
	480200	75600	480200	75600
Less : Provision	(18,480)	(18,480)	(18,480)	(18,480)
Total Investment	461720	57120	461720	57120

5. INVENTORIES

	Group		Company	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
Raw Materials	471,476,042	957,949,783	403,494,831	855,694,211
Work-in-Progress	135,950,251	69,464,162	132,278,782	57,662,213
Finished Goods	62,391	12,909	-	-
Goods in Transit	4,988,161	127,170,677	4,988,161	98,866,903
	612,476,845	1,154,597,530	540,761,774	1,012,223,327
Provision for Obsolete Inventories	(44,300,733)	(45,710,558)	(31,967,484)	(34,640,696)
	568,176,112	1,108,886,972	508,794,290	977,582,631



Dutch Lanka Trailer Manufacturers Limited and its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

6. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
Trade Receivables - Related Parties (Note 6.1)	-	-	-	29,788,518
- Others	476,961,661	841,462,153	464,193,822	815,091,563
Less: Provision for Bad and Doubtful Debts	(11,613,928)	(143,283)	(11,454,999)	-
	465,347,733	841,318,870	452,738,823	844,880,081
VAT Recoverable	23,175,839	34,124,095	6,191,765	17,468,608
Other Receivables	3,480,212	2,685,712	3,480,212	2,685,712
	492,003,784	878,128,677	462,410,800	865,034,401

6.1 Trade Receivables - Related Parties

	Relationship	Group		Company	
		2023 March	2022 March	2023 March	2022 March
		Rs.	Rs.	Rs.	Rs.
Dutch Lanka Engineering (Pvt) Ltd	Subsidiary	-	-	130,673,278	29,788,518
Less: Provision for Bad and Doubtful Debts		-	-	(130,673,278)	-
		-	-	-	29,788,518

7. OTHER FINANCIAL ASSETS

	Group		Company	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
Non Current				
Guarantee Deposit	71,805,753	-	71,805,753	-
Investments in Fixed Deposits	309,746,350	-	309,746,350	-
Interest Income Receivable	32,240,411	-	32,240,411	-
	413,792,514	-	413,792,514	-
Current				
Investments in Fixed Deposits	1,101,389,398	1,053,210,225	1,019,588,729	978,718,127
Interest Income Receivable	4,167,676	75,272,489	3,687,280	75,272,489
	1,105,557,074	1,128,482,714	1,023,276,009	1,053,990,616

8. TAX RECEIVABLES

	Group		Company	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
ESC Recoverable	-	2,034,154	-	2,034,154
Income Tax Receivable	2,458,315	2,160,261	-	-
Withholding Tax	393,283	3,101,238	91	2,769,488
Other Tax Receivable	-	-	-	-
	2,851,597	7,295,653	91	4,803,642



Dutch Lanka Trailer Manufacturers Limited and its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

9. TAX PAYABLES

	Group		Company	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
Income Tax Payable	137,744,583	6,393,411	137,744,583	6,393,411
Other payables	-	-	-	-
	<u>137,744,583</u>	<u>6,393,411</u>	<u>137,744,583</u>	<u>6,393,411</u>

10. CASH AND CASH EQUIVALENTS

Components of Cash and Cash Equivalents	Group		Company	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
Favourable Cash and Cash Equivalent Balances				
Cash at Bank	5,632,929	20,272,064	5,582,295	20,272,064
Cash in Hand	116,015	347,790	79,667	224,750
Short Term Fixed Deposits	-	92,000,000	-	92,000,000
Total Favourable Cash and Cash Equivalent Balances	<u>5,748,944</u>	<u>112,619,854</u>	<u>5,661,962</u>	<u>112,496,814</u>
Unfavourable Cash and Cash Equivalent Balances				
Bank Overdraft	(190,141,311)	(194,762,325)	(162,468,610)	(166,233,157)
	<u>(190,141,311)</u>	<u>(194,762,325)</u>	<u>(162,468,610)</u>	<u>(166,233,157)</u>
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	<u>(184,392,367)</u>	<u>(82,142,471)</u>	<u>(156,806,648)</u>	<u>(53,736,343)</u>

11. STATED CAPITAL

	Group		Company	
	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares	152,306,150	312,228,618	152,306,150	312,228,618
	<u>152,306,150</u>	<u>312,228,618</u>	<u>152,306,150</u>	<u>312,228,618</u>



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

12. INTEREST BEARING LOANS AND BORROWINGS

	Finance Leases (Note 12.1) Rs.	Bank Loans (Note 12.3) Rs.	Group Bank Overdraft (Note 10) Rs.	Inter company Loan (Note 12.5) Rs.	Total Rs.	Finance Leases (Note 12.2) Rs.	Bank Loans (Note 12.4) Rs.	Company Bank Overdraft (Note 10) Rs.	Inter company Loan (Note 12.5) Rs.	Total Rs.
As at 31 March 2023										
Amount repayable within 1 year	9,009,727	736,844,756	190,141,311	49,092,855	985,088,650	667,923	630,738,674	162,468,610	49,092,855	842,968,063
Amount repayable after 1 year	2,366,745	2,924,000	-	-	5,290,745	-	-	-	-	-
	11,376,472	739,768,756	190,141,311	49,092,855	990,379,394	667,923	630,738,674	162,468,610	49,092,855	842,968,063
As at 31 March 2022										
Amount repayable within 1 year	7,654,496	1,170,887,953	194,762,325	44,850,000	1,418,154,774	1,793,258	1,080,875,705	166,233,157	44,850,000	1,293,752,120
Amount repayable after 1 year	10,631,949	11,567,904	-	-	22,199,853	605,954	-	-	-	605,954
	18,286,444	1,182,455,857	194,762,325	44,850,000	1,440,354,626	2,399,211	1,080,875,705	166,233,157	44,850,000	1,294,358,074

12.1 Lease Obligations relating to right of use assets-Group

	As at 01.04.2022 Rs.	Lease Adjustment Rs.	Repayments Rs.	As at 31.03.2023 Rs.	Current As at 31.03.2023 Rs.	Non Current As at 31.03.2023 Rs.
Gross Liability	18,643,105	-	(7,245,588)	11,397,518	9,030,772	2,366,745
Finance Charges allocated to Future Periods	(356,661)	-	335,616	(21,045)	(21,045)	-
Net Liability	18,286,445	-	(6,909,972)	11,376,473	9,009,727	2,366,745

12.2 Lease Obligations relating to right of use assets-Company

	As at 01.04.2022 Rs.	Lease Adjustment Rs.	Repayments Rs.	As at 31.03.2023 Rs.	Current As at 31.03.2023 Rs.	Non Current As at 31.03.2023 Rs.
Hatton National Bank PLC	2,755,872	-	(2,066,904)	688,968	688,968	-
Gross Liability	2,755,872	-	(2,066,904)	688,968	688,968	-
Finance Charges allocated to Future Periods	(356,661)	-	335,616	(21,045)	(21,045)	-
Net Liability	2,399,211	-	(1,731,288)	667,923	667,923	-



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

12. INTEREST BEARING LOANS AND BORROWINGS (Contd...)

12.3 Bank Loans - Group

	As at 01.04.2022 Rs.	Loans Obtained Rs.	Repayments Rs.	Exchange Gain / Loss Rs.	As at 31.03.2023 Rs.	Current As at 31.03.2023 Rs.	Non Current As at 31.03.2023 Rs.
Term Loan	42,002,684	-	(27,030,650)		14,972,034	12,048,034	2,924,000
Import Loan	1,140,453,173	2,541,197,653	(3,130,849,830)	173,995,726	550,800,997	724,796,722	-
	<u>1,182,455,857</u>	<u>2,541,197,653</u>	<u>(3,157,880,480)</u>	<u>173,995,726</u>	<u>565,773,031</u>	<u>736,844,756</u>	<u>2,924,000</u>

12.4 Bank Loans - Company

	As at 01.04.2022 Rs.	Loans Obtained Rs.	Repayments Rs.	Exchange Gain / Loss Rs.	As at 31.03.2023 Rs.	Current As at 31.03.2023 Rs.	Non Current As at 31.03.2023 Rs.
Term Loans							
National Development Bank PLC	5,000,000	-	(5,000,000)		-	-	-
	<u>5,000,000</u>	<u>-</u>	<u>(5,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Import Loans							
Commercial Bank of Ceylon PLC	56,671,563	182,032,675	(205,852,894)	19,693,063	52,544,407	52,544,407	-
National Development Bank PLC	981,588,683	1,910,288,113	(2,581,519,020)	140,509,665	450,867,441	450,867,441	-
Bank of Ceylon	37,615,459	273,422,295.4	(197,503,926)	13,792,998	127,326,826	127,326,826	-
	<u>1,075,875,705</u>	<u>2,365,743,084</u>	<u>(2,984,875,840)</u>	<u>173,995,726</u>	<u>630,738,674</u>	<u>630,738,674</u>	<u>-</u>
	<u>1,080,875,705</u>	<u>2,365,743,084</u>	<u>(2,989,875,840)</u>	<u>173,995,726</u>	<u>630,738,674</u>	<u>630,738,674</u>	<u>-</u>

12.5 Related Party Loans

	As At 01.04.2022 Rs.	Loans Obtained Rs.	Repayments Rs.	Exchange Rate Changes Rs.	As At 31.03.2023 Rs.
TRF Singapore Ltd	44,850,000	-	-	4,242,855	49,092,855
	<u>44,850,000</u>	<u>-</u>	<u>-</u>	<u>4,242,855</u>	<u>49,092,855</u>

13. DEFINED BENEFIT OBLIGATIONS

	Group March 2023 Rs.	March 2022 Rs.	Company March 2023 Rs.	March 2022 Rs.
<i>Defined Benefit Plan - Gratuity</i>				
At the beginning of the year	46,856,290	43,116,571	39,120,386	36,222,327
Interest Cost	6,091,317	3,449,326	5,085,650	2,897,786
Current Service Cost	4,668,146	4,089,212	3,709,399	3,251,130
Past service Cost	-	(4,271,669)	-	(3,737,921)
Actuarial (Gain)/Loss	9,525,732	1,437,850	7,355,313	1,149,915
Paid for the year	(6,177,891)	(965,000)	(4,278,747)	(662,850)
Exchange effect	-	-	-	-
At the end of the year	<u>60,963,594</u>	<u>46,856,290</u>	<u>50,992,002</u>	<u>39,120,386</u>

The Expenses are recognized in the following line items in the statement of Profit or loss and other comprehensive income

Cost of Sales	6,910,089	6,292,055	5,486,015	1,387,352
Administration Expenses	3,849,374	1,246,483	3,309,035	1,023,642
	<u>10,759,463</u>	<u>7,538,538</u>	<u>8,795,050</u>	<u>2,410,994</u>
Other Comprehensive Income	<u>9,525,732</u>	<u>1,437,850</u>	<u>7,355,313</u>	<u>1,149,915</u>



Dutch Lanka Trailer Manufacturers Limited and it's Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

13. DEFINED BENEFIT OBLIGATIONS (Contd...)

13.1 Messrs. Acturial & Management Consultants (Private) Limited carried out an actuarial valuation of the defined benefit as at 31 March 2023. Appropriate compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	March 2023	March 2022
Discount Rate	0.18	0.13
Salary Increase Rate	0.15	0.1
Staff Turnover Rate	0.1	10%
Retirement Age	60 Years	60 Years

13.2 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.

	Group		Company	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate assumed	(3,329,503)	3,688,192	(2,751,641)	3,040,416
Further salary increase	3,997,123	(3,655,842)	3,295,389	(3,021,801)

14. TRADE AND OTHER PAYABLES

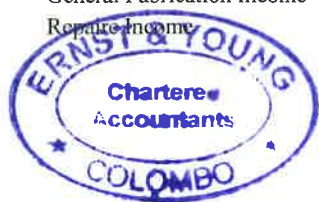
	Group		Company	
	2023 March Rs.	2022 March Rs.	2023 March Rs.	2022 March Rs.
Trade Payables - Related Parties (Note - 14.1)	47,976,192	43,168,252	47,976,192	43,168,252
- Others	183,223,086	918,377,858	161,869,218	788,055,434
	231,199,278	961,546,110	209,845,410	831,223,686
Other Payables	121,408,555	145,122,928	73,814,824	93,664,709
	352,607,832	1,106,669,038	283,660,234	924,888,395

14.1 Trade Payables - Related Parties

	Relationship	Group		Company	
		2023 March Rs.	2022 March Rs.	2023 March Rs.	2022 March Rs.
TRF Limited - India	Ultimate Parent	39,702,704	43,168,252	39,702,704	43,168,252
TRF Limited - Singapore	Parent	8,273,501	-	8,273,488	-
		47,976,205	43,168,252	47,976,192	43,168,252

15. REVENUE

	Group		Company	
	2023 March Rs.	2022 March Rs.	2023 March Rs.	2022 March Rs.
Sale of Goods - Local	201,769,397	580,887,726	109,365,027	258,375,655
- Export	2,896,548,039	1,483,909,973	2,896,548,039	1,483,909,973
Spare Parts Sales - Export	205,620,908	216,289,518	205,620,908	216,289,518
Spare Parts Sales - Local	9,467,658	11,737,838	-	-
General Fabrication Income	8,116,781	2,758,500	-	-
Repairs Income	80,132,070	69,106,884	-	-
	3,401,654,852	2,364,690,439	3,211,533,974	1,958,575,146



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

16. OTHER INCOME

	Group		Company	
	2023 March Rs.	2022 March Rs.	2023 March Rs.	2022 March Rs.
Sundry Income	15,241,455	22,836,945	9,354,168	21,372,495
Dividend Income	6,300	2,380	6,300	2,380
Exchange Gain	-	-	-	-
	<u>15,247,755</u>	<u>22,839,325</u>	<u>9,360,468</u>	<u>21,374,875</u>

17. FINANCE COSTS

	Group		Company	
	2023 March Rs.	2022 March Rs.	2023 March Rs.	2022 March Rs.
Interest Expense on Overdrafts	33,741,845	15,515,202	26,017,981	12,997,720
Interest Expense on Loans and Borrowings	163,122,575	50,762,357	138,127,509	42,967,532
Interest Expenses on Finance Leases	335,966	(23,334)	335,966	(23,334)
Interest Expense on Lease - Lindel	2,093,981	2,771,008	-	-
	<u>199,294,367</u>	<u>69,025,233</u>	<u>164,481,456</u>	<u>55,941,918</u>

17.1 Finance Income

	Group		Company	
	2023 March Rs.	2022 March Rs.	2023 March Rs.	2022 March Rs.
Interest Income	124,616,591	45,275,749	116,468,129	42,138,436
Interest Income on Refundable Deposit-Lindel	554,361	438,706	-	-
	<u>125,170,952</u>	<u>45,714,455</u>	<u>116,468,129</u>	<u>42,138,436</u>

18. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

	Group		Company	
Stated after Charging/(Crediting)	2023 March Rs.	2022 March Rs.	2023 March Rs.	2022 March Rs.
<i>Included in Cost of Sales</i>				
Employees Benefits including the following	139,266,205	119,157,033	98,022,644	77,616,921
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	6,910,090	2,020,385	5,486,014	1,387,352
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	14,031,424	12,442,095	10,024,912	8,323,957
Depreciation	19,370,362	18,117,968	13,520,126	12,409,007
<i>Included in General and Administration Expenses</i>				
Employees Benefits including the following	121,995,862	100,417,156	107,436,005	84,272,535
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	3,849,374	1,246,483	3,309,035	1,023,642
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	12,839,163	11,345,715	11,316,709	9,454,973
Depreciation	3,075,055	3,196,625	2,385,904	2,170,017
Professional Fees	5,284,367	4,663,815	3,780,576	3,367,027
Director's Fee	1,537,063	900,901	1,537,063	900,901
Donation	158,514	314,065	143,514	177,500
Exchange Loss/(Gain)	108,905,986	49,349,114	71,414,754	46,589,597
<i>Included in Selling and Distribution Costs</i>				
Provision for Bad and Doubtful Debts	11,470,645	116,436	142,128,277	-
Advertising	318,200	219,200	318,200	219,200



Dutch Lanka Trailer Manufacturers Limited and it's Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

19. INCOME TAX

	Group		Company	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
Current Income Tax				
Current Income Tax Charge (Note 19.1)	148,490,481	6,207,355	148,490,481	6,207,355
Tax on sale of Disposal of Joint Venture	-	-	-	-
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) on Actuarial Loss	(2,857,720)	241,610	(2,206,594)	(160,988)
Deferred Taxation Reversal (Note 19.2)	(11,890,279)	343,500	(11,303,517)	343,500
Deferred Taxation Reversal on reassortment	-	75,699	-	-
Income tax expense	133,742,482	6,868,164	134,980,369	6,389,867
DLT Actuarial Gain / Loss	2,857,720	(160,988)	2,206,594	160,988
Income tax expense reported in the Income Statement	136,600,201	6,707,176	137,186,963	6,550,855

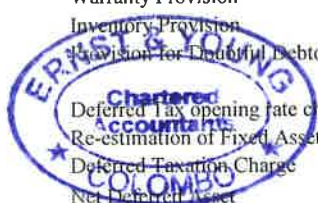
19.1 A reconciliation between income tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :

	Group		Company	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
Accounting Profit before Income Tax	689,779,284	(6,475,501)	768,235,592	56,343,799
Allowed Items	(34,236,164)	(33,875,336)	(16,232,807)	(19,426,967)
Disallowed Items	224,368,372	47,364,237	208,152,404	28,976,407
Other Source of Income	(132,398,790)	(45,716,835)	(123,695,967)	(42,140,816)
	747,512,701	(38,703,436)	836,459,222	23,752,423
Group				
Taxable Loss from Business	-	-	-	-
Taxable Profit from Business	747,512,701	(38,703,436)	836,459,222	23,752,423
Other Sources of Income	39,771,275	45,716,835	31,068,452	13,592,509
Interest Income - FCBU	-	-	-	-
Dividend Income subject to WHT	-	-	-	-
Other Non-Taxable Income	-	-	-	-
Tax Losses Utilised during the year	-	-	-	-
Taxable Other Income	-	-	-	-
Profit / (Loss) for the year	787,283,976	7,013,400	867,527,674	37,344,932
Income Tax @ 14% , 18%, 24% & 30%	145,499,318	6,207,355	145,499,318	6,207,355
Income Tax on foreign operations	-	-	-	-
Tax relating to previous years	2,991,162	-	2,991,162	-
Current Income Tax Charge	148,490,481	6,207,355	148,490,481	6,207,355
Tax Losses Utilized				
Tax Losses Brought Forward	116,192,509	42,065,139	-	(14,765,502)
Tax Losses incurred during the year	88,946,521	62,455,859	-	-
Tax Losses Utilised during the year	(8,702,823)	(3,576,019)	-	-
Adjustments on Finalization of Liability	287,935	15,247,531	-	14,765,502
Tax Losses Carried Forward	196,724,141	116,192,509	-	-

19.2 Deferred Taxation - Group

	2023 March	2022 March
	Rs.	Rs.
Balance as at 01 April	6,688,773	6,946,985
Provision for the year	14,747,999	(258,211)
Re-estimation of Assets	-	-
Exchange Difference	-	-
Balance as at 31 March	21,436,772	6,688,773

	Balance Sheet		Statement of Comprehensive Income	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Assets				
Capital Allowances for Tax purpose	(14,399,934)	(6,071,445)	(8,328,489)	(1,266,608)
Retirement Benefit Obligation	15,297,601	5,476,854	9,820,747	405,728
Warranty Provision	4,859,224	1,018,418	3,840,806	295,164
Inventory Provision	9,590,245	4,849,697	4,740,548	383,204
Provision for Doubtful Debtors	3,436,500	-	3,436,500	-
Deferred Tax opening rate change effect	-	-	-	-
Re-estimation of Fixed Assets	-	-	-	-
Deferred Taxation Charge	-	-	13,510,111	(182,512)
Net Deferred Asset	18,783,636	5,273,524	-	-



Dutch Lanka Trailer Manufacturers Limited and its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

20. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

20.1 Transaction with the Parent and Related Entities

Nature of Transactions	Parent		Subsidiaries		Total	
	March 2023 Rs.	March 2022 Rs.	March 2023 Rs.	March 2022 Rs.	March 2023 Rs.	March 2022 Rs.
As at 1st April	43,168,252	40,966,930	(29,788,518)	(28,848,758)	13,379,734	12,118,172
Sale of Goods & Services	-	-	(64,741)	(1,965,869)	(64,741)	(1,965,869)
Purchase of Goods & Services	-	-	22,397,966	5,275,660	22,397,966	5,275,660
Receipt of Services	3,499,760	-	-	177,742	3,499,760	177,742
Repayment Net	-	(16,178,170)	(59,526,166)	61,296,349	(59,526,166)	45,118,179
Expenses incurred on behalf of the subsidiary	-	-	(63,691,818)	(65,767,642)	(63,691,818)	(65,767,642)
Expenses incurred on behalf of the Company	-	-	-	44,000	-	44,000
Exchange Gain/Loss	1,308,179	18,379,493	-	-	1,308,179	18,379,493
As at 31 March	47,976,192	43,168,252	(130,673,278)	(29,788,518)	(82,697,086)	13,379,734
Included in						
Trade and Other payables/(receivables)	47,976,192	43,168,252	(130,673,278)	(29,788,518)	(82,697,086)	13,379,734
	47,976,192	43,168,252	(130,673,278)	(29,788,518)	(82,697,086)	13,379,734

* Parent: TRF Ltd - India, Subsidiaries: Dutch Lanka Engineering (Private) Limited

20.2 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

Short-term Employee Benefits

2023 March Rs.	2022 March Rs.
17,401,738	12,785,271

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.

20.3 Other Related Parties Disclosures

All 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.



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

21. EARNINGS/(LOSS) PER SHARE

Basic earning/(loss) 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.

21.1 Amount used as the Numerator :

	Group		Company	
	2023 March	2022 March	2023 March	2022 March
	Rs.	Rs.	Rs.	Rs.
Profit/(Loss) attributable to Ordinary Shareholders for Basic Earnings per Share	695,063,971	(13,182,692)	631,048,628	49,792,944

21.2 Number of Ordinary Shares used as Denominator :

Weighted Average Number of Ordinary Shares applicable to Basic Earnings/(Loss) per Share	152,306,150	152,306,150	152,306,150	152,306,150
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22.1 Capital Expenditure Commitments

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

22.2 Contingent Liabilities

The Company is entitled to the Deferred VAT scheme under the Board of Investment (BOI), being a BOI registered company under agreement no 2650 (A). The administrative process in relation to the said facility requires the submission of returns and coordination with the Sri Lanka Customs, Department of Inland Revenue and the BOI. During the year, the Company was made aware of uncleared records maintained at the Sri Lanka Customs relating to past imports of the Company indicating a VAT exposure amounting to Rs. 464 Mn. In this regard, the Company has obtained a listing of credit vouchers amounting to Rs. 373Mn maintained with the Department of Inland Revenue which are to be set off with the aforementioned records maintained by Sri Lanka Customs and is in the process of re-submitting documentary evidence to the Department of Inland Revenue to reconcile records maintained and clear the mentioned records. No assessment has been raised by any regulatory authority against the Company in relation to the same.

Whilst the administrative process involved in clearing the records maintained is taking considerable time owing to delays caused by restrictions/lockdowns owing to the Covid 19 pandemic, management is confident that the process concerned will not result in a liability materializing to the Company. No liability has been recorded in the financial statements in relation to the said matter.

23. 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
Commercial Bank	Overdraft	Meet Working Capital requirements	Rs. 30 Mn	Upto 11.8% - 20.75%		On demand	Lien over 170 mn fixed deposits, in the name of the company.
	IDL	Retire of import bills, payment of import duties	Rs. 50 Mn or USD equivalent	LKR-Depc 120 Days			
	LC						
	Export LC	Purchase bills drawn under collection of D/P and D/A terms	Rs. 15 Mn	0.07			Supplementary Mortgage bond for Rs. 63 Mn over stock of raw material, WIP and finished goods held at Dankotuwa together with an assignment over book debts of the company.
	Guarantee	Bid Bond, Performance Bonds	Rs. 11 Mn	1%/2%			
National Development Bank	Overdraft	Meet Working Capital requirements		0.055		On demand	Primary Mortgage over freehold factory land at Dankotuwa for USD 350,000 pending security.
	IDL			0.06			
	LC		USD 200,000	0.0025	60 Days		Primary Mortgage Bond No 747 of 8/8/08 - Mortgage over stock and book debts for USD 6,111,421/-
	Export LC			0.02			
	Guarantee		USD 3,500,000	0.077			Deed of Renunciation No.588 dated 17/10/15 & Letter of comfort from TRF Ltd, India



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

23. ASSETS PLEDGED (Contd...)

Bank	Nature	Purpose	Facility Amount	Interest	Grace Period	Repayment Terms	Collateral
Sampath Bank	Overdraft	Meet Working Capital requirements	Rs. 10 Mn	1.5% + 3 month LIBOR		On demand	Hypothecation Bond for USD 1,750,000/- over stock in trade at Gonawala & Dankotuwa and book debts
Bank of Ceylon	Overdraft		USD 75,000	1.5% LIBOR p.a		On demand	
	IDL LC Export LC Guarantee	Purchase of raw material	USD 1 Mn	0.07 0.0015	120 Days		Primary Mortgage over factory property situated at Dankotuwa and machinery therein.
Dutch Lanka Engineering (Pvt) Ltd	Import Loan	To retire the bills drawn under the LC	Rs. 100 Mn	AWPLR+ 1.75%	120 days	Settlement of Full Loan	
	Bank Overdraft	Meet working capital requirements	Rs. 20 Mn	AWPLR+ 1.75%	On Demand	-	
Hatton National Bank	Letter of Guarantee (LOG)	To issue Bid Bonds, Performance Bonds and Advance Payment Bonds	Rs. 5 Mn	2% commission	12 months	Renewed / Cancelled on Expiry	Fixed Deposit No. 082300018039 and 082300014949
	Short term Revolving Loan	To finance Local purchases of Steel, tyres and other spare parts	Rs. 23 Mn	AWPLR+ 1.75%	90 days	-	
	Term Loan	To meet relocation of DLE	Rs. 35 Mn	AWPLR+ 2.25%	48 months	-	
	Short term Loan (Covid)	Meet working capital requirements	Rs. 25 Mn	0.04	18 months	-	
	Import Loan	To retire the bills drawn under the LC	Rs. 25 Mn	AWPLR+ 2%	120 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+ 3%	On Demand	-	



24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group'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 Group's operations and to provide guarantees to support its operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the finance department under the policies approved by the Board of Directors. 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.

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and all other factors remain constant as at 31 March 2022.

The analyses exclude the impact of movements in market variables on the carrying value of pension and other post-retirement obligations, provisions and on the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The statement of financial position sensitivity relates to derivatives and available-for-sale debt instruments
- The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 31 March 2022 and 2021 including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at 31 March 2022 for the effects of the assumed changes of the underlying risk.

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 relates primarily to the Group's long-term debt obligations with floating interest rates.



24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd....)**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/ Interest	
		Group	Company
2023	+10/-10	19,929,437	16,448,146
2022	+10/-10	6,902,523	5,594,192

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.

Foreign currency risk

Foreign Currency Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Company is exposed to the effect of foreign exchange rate fluctuations because of its foreign currency denominated revenue, expenses, and other financial instruments. Since the Group has foreign purchases and foreign currency denominated funds, volatility in foreign currency exchange rates will have an impact to the Company.

Foreign exchange sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates on foreign currency denominated assets and liabilities. The significant foreign currency exposure of the Group is limited to USD and also minor exposure to INR/OR. With all other variables held constant, the Group's profit before tax is affected through the impact on USD and INR/OR denominated assets/liabilities as follows;

	Change in exchange rate	Change in Profit before tax	
		Group	Company
2023	0.01	4,065,411	3,029,711
2022	0.01	938,435	(479,773)

As the Group's USD denominated liabilities exceeds the USD denominated assets the weakening of Sri Lankan Rupees (Rs) against USD will decrease the profits and the strengthening Sri Lankan Rupees (Rs) against the USD will have opposite effect.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an individual credit limits and are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and shipments to major customers are covered either by Advance Payments or by letters of credit. The Company's total debtors consist of foreign debtor balance of Rs. 464.19 Mn as at 31 March 2023 (2022 - Rs. 772.18 Mn). 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 groups 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 06. The Group evaluates the concentration of risk with respect to trade receivables as low based on the terms with which we use to work such as Advance payment, Letter of Credit (LC) and Document against Payments (DP) and the long standing business relationship with the customer base, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's Finance departments in accordance with the Group's policy and approved credit limits. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2023 and 2022 is the carrying amounts as illustrated in Note 7 and 10.



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

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

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, loans, and finance leases. The Group 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.

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

Year ended 31 March 2023	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	Total Rs.
Group					
Interest-bearing loans and borrowings	239,234,166	565,652,137	180,202,346	5,290,745	990,379,394
Trade and other payables	-	352,607,832	-	-	352,607,832
	239,234,166	918,259,969	180,202,346	5,290,745	1,342,987,226
Company					
Interest-bearing loans and borrowings	211,561,465	476,075,772	155,330,825	-	842,968,062
Trade and other payables	-	283,660,235	-	-	283,660,235
	211,561,465	759,736,007	155,330,825	-	1,126,628,297
Year ended 31 March 2022	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	Total Rs.
Group					
Interest-bearing loans and borrowings	182,616,754	290,115,454	39,787,816	58,249,900	570,769,924
Trade and other payables	-	424,165,693	-	-	424,165,693
	182,616,754	714,281,147	39,787,816	58,249,900	994,935,617
Company					
Interest-bearing loans and borrowings	165,574,579	255,159,886	16,495,270	1,789,668	439,019,403
Trade and other payables	-	325,321,785	-	-	325,321,785
	165,574,579	580,481,671	16,495,270	1,789,668	764,341,188

Capital management

Capital includes the equity attributable to the equity holders.

The primary objective of the Group'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 Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group 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 2023 and 31 March 2022.

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

	2023 March Rs.	2022 March Rs.
Interest-bearing loans and borrowings (Note 12)	990,379,394	1,440,354,626
Trade and other payables (Note 14)	352,607,832	1,106,669,038
Less: Cash and short-term deposits (Note 10)	(1,111,306,018)	(1,241,159,688)
Net debt	231,681,208	1,305,863,977
Equity	1,649,253,024	960,452,465
Total capital	1,649,253,024	960,452,465
Capital and net debt	1,880,934,232	2,266,316,442
Gearing ratio	12%	58%

25. EVENT OCCURRING AFTER THE REPORTING DATE

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



DUTCH LANKA TRAILER MANUFACTURERS LIMITED

**DETAILED EXPENDITURE STATEMENTS
YEAR ENDED 31 MARCH 2023**

Dutch Lanka Trailer Manufacturers Limited and it's Subsidiaries

DETAILED COST AND EXPENDITURE STATEMENTS

Year ended 31 March 2023

STATEMENT - I

STATEMENT - I		Group		Company	
		2023 March	March 2022	2023 March	March 2022
Cost of Sales		Rs.	Rs.	Rs.	Rs.
Opening Stock		57,662,213	110,723,443	57,662,213	110,723,443
Purchases		1,466,048,259	1,583,900,981	1,346,941,084	1,233,986,820
Direct Labour	1.1	136,417,794	119,157,033	98,022,644	77,616,921
Direct Production Overheads	1.2	144,033,763	104,377,213	114,018,691	73,069,277
		<u>1,804,162,029</u>	<u>1,918,158,670</u>	<u>1,616,644,632</u>	<u>1,495,396,461</u>
Closing Stock		<u>(132,278,782)</u>	<u>(57,662,213)</u>	<u>(132,278,782)</u>	<u>(57,662,213)</u>
		<u>1,671,883,247</u>	<u>1,860,496,457</u>	<u>1,484,365,850</u>	<u>1,437,734,248</u>
1.1					
Direct Labour					
Factory Wages		86,538,391	73,569,152	62,191,473	48,794,970
Over Time - Factory Workers		13,494,733	20,793,774	10,675,095	13,218,092
EPF-12% Factory Wages		9,924,675	8,668,467	6,959,702	5,648,787
ETF 3% Factory Wages		2,481,169	2,166,829	1,739,926	1,412,196
Factory Bonus		12,468,424	8,722,057	8,832,147	5,984,867
Factory Workers Gratuity		5,498,244	1,687,010	4,295,095	1,128,816
Factory Workers Leave Encashment		1,101,249	1,102,935	822,902	668,331
Factory Exgratia -Workers/Staff/Executives		1,995,196	780,182	1,881,331	390,057
Casual Wages		2,915,713	1,666,628	624,973	370,805
		<u>136,417,795</u>	<u>119,157,033</u>	<u>98,022,644</u>	<u>77,616,921</u>
1.2					
Direct Production Overheads					
Factory Staff Salaries		7,161,361	8,002,649	5,049,650	5,616,443
Over Time - Factory Staff		1,004,948	1,630,474	841,340	1,140,879
EPF 12% Factory Staff		819,394	931,607	579,158	656,776
ETF 3% Factory Staff		204,848	233,189	144,789	164,194
Factory Staff Gratuity		804,164	206,250	583,237	131,411
Factory Staff Leave Encashment		122,834	178,390	70,966	100,923
Factory Executive Bonus		591,118	450,700	591,118	450,700
Factory Executive Salaries		3,991,857	2,917,241	3,991,857	2,917,241
Factory Executive 12% EPF		481,070	353,603	481,070	353,603
Factory Executive 3% ETF		120,267	88,401	120,267	88,401
Factory Executive Gratuity		607,682	127,125	607,682	127,125
Factory Executive Leave Encash		106,689	30,105	106,689	30,105
Electrical Charges		15,600,864	12,751,847	13,122,209	9,888,167
Maintenance Electrical System		1,269,624	492,229	1,269,624	492,229
Fork Lift Running Expenses		3,417,359	2,046,131	2,583,368	1,235,887
Fork Lift Repair and Maintenance		303,350	30,260	303,350	30,260
Machine Maintenance		10,001,437	7,324,383	9,509,669	6,017,468
Cost of Sundry Sales		4,627,360	1,707,390	4,739,905	1,971,120
Transport		161,780	87,660	136,430	49,960
Compressor Running Expenses		2,267,300	2,347,275	1,638,720	1,696,650
Generator Running Expenses		1,163,713	1,423,176	899,298	808,382
Factory Maintenance		7,939,169	4,605,195	7,578,260	3,173,042
Monthly Raw Material Overheads		8,311,915	7,382,768	8,311,915	7,382,768
Factory Welfare		9,863,172	9,615,438	7,989,970	6,287,486
Rent - Factory		111,056	-	-	-
House Rent		1,724,500	1,141,800	1,110,000	692,800
Depreciation - Factory		19,370,362	18,117,968	13,520,126	12,409,007
Design Testing Inspection Exp		7,132,531	-	7,132,531	-
Building Maintenance		8,772,736	89,756	8,582,567	83,656
Depreciation - Lindel Lease assets		6,247,278	5,830,433	-	-
Fork Lift Hire Charges		218,500	44,080	218,500	44,080
Import Expenses		953,300	2,635,321	861,306	1,865,546
Security Charges		13,123,324	9,661,200	5,906,220	5,269,800
Staff Welfare		1,915,906	1,825,602	1,915,906	1,825,602
Product Patent Charge		1,725	-	1,725	-
Workers Training		3,519,269	67,566	3,519,269	67,566
		<u>144,033,763</u>	<u>104,377,213</u>	<u>114,018,691</u>	<u>73,069,277</u>



Dutch Lanka Trailer Manufacturers Limited and its Subsidiaries

DETAILED COST AND EXPENDITURE STATEMENTS

Year ended 31 March 2023

STATEMENT - II

SELLING AND DISTRIBUTION EXPENSES

	Group		Company	
	2023 March	March 2022	2023 March	March 2022
	Rs.	Rs.	Rs.	Rs.
Freight	403,326,468	241,188,043	403,326,468	241,188,043
Advertising	318,200	219,200	318,200	219,200
Commissions	32,492,008	22,308,690	33,647,656	21,304,076
Business Promotion	13,435,934	1,239,468	13,435,934	1,239,468
Provision for Bad and Doubtful Debts	11,470,645	116,436	142,128,277	-
	<u>461,043,255</u>	<u>265,071,837</u>	<u>592,856,535</u>	<u>263,950,787</u>

STATEMENT - III

ADMINISTRATIVE EXPENSES

	Group		Company	
	2023 March	March 2022	2023 March	March 2022
	Rs.	Rs.	Rs.	Rs.
Salaries and Wages	87,723,418	76,920,441	77,373,156	64,229,585
EPF and ETF	12,839,163	11,345,715	11,316,709	9,454,973
Gratuity	3,849,374	1,246,483	3,309,035	1,023,642
Overtime, Bonus and Rewards	17,583,907	10,904,517	15,437,105	9,564,335
Travelling Expenses	57,454,451	39,720,433	51,562,992	31,707,570
Postage, Telephone and Telecommunication	3,837,972	3,281,425	3,490,984	2,803,137
Repairs and Maintenance	4,175,946	1,828,944	3,989,921	1,311,463
Stationery and Other Office Expenses	2,319,542	1,454,165	1,771,166	895,323
Rent	6,114,471	5,064,610	6,114,471	5,064,610
Depreciation	3,075,055	3,196,625	2,385,904	2,170,017
Training Courses	239,075	169,200	239,075	105,200
Rates and Taxes	-	500	-	500
Various Expenses	27,221,793	11,661,758	39,359,840	9,011,678
Professional Fees	5,284,367	4,663,815	3,780,576	3,367,027
Energy Cost and Water	706,945	475,923	447,308	187,122
Insurance Expenses	1,064,001	1,076,749	799,248	826,417
Director's Fee	1,537,063	900,901	1,537,063	900,901
Subscriptions	1,891,452	1,143,409	1,847,591	1,084,650
Donations	158,514	314,065	143,514	177,500
Exchange Loss	108,905,986	49,349,114	71,414,754	46,589,597
Bank Charges	32,206,026	20,390,765	31,102,726	17,642,458
Recruitment Expenses	-	16,650	-	-
	<u>378,188,519</u>	<u>245,126,206</u>	<u>327,423,138</u>	<u>208,117,705</u>

