

**MOTHERSON ELECTRICAL WIRES LANKA  
(PRIVATE) LIMITED**

**FINANCIAL STATEMENTS**

**31 MARCH 2022**



Ernst & Young  
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INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF MOTHERSON ELECTRICAL WIRES LANKA (PRIVATE) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Motherston Electrical Wires Lanka (Private) Limited, which comprise the statement of financial position as at 31 March 2022, and the 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 give a true and fair view of the financial position of the Company as at 31 March 2022 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities ("SLFRS for SMEs").

Basis for opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities ("SLFRS for SMEs"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Partners: H M A Jayasinghe FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, N Y R L Fernando ACA, W K B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hulangamuwa FCA FCMA LLB (London), Ms. A A Ludowyke FCA FCMA, Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajeewani FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: G B Goudian ACMA, Ms. P S Paranavitane ACMA LLB (Colombo), T P M Ruberu FCMA FCCA

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## Auditor's responsibilities for the audit of the financial statements

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

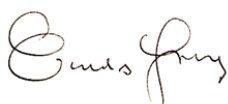
As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## Report on other legal and regulatory requirements

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



23 May 2022  
Colombo


Motherson Electrical Wires Lanka (Private) Limited

STATEMENT OF FINANCIAL POSITION


As at 31 March 2022

Assets	Notes	2022 USD	2021 USD
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	295,458	372,068
		<u>295,458</u>	<u>372,068</u>
<b>Current Assets</b>			
Inventories	5	1,904,836	3,735,433
Prepayments and Other Receivables	6	28,608	507,229
Amounts Due from Related Parties	7	5,407,981	3,911,515
Short-term Deposits	8	-	500,000
Bank Balances and Cash	8	1,910,090	763,255
		<u>9,251,515</u>	<u>9,417,432</u>
<b>Total Assets</b>		<u>9,546,973</u>	<u>9,789,500</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated Capital	9	151,814	151,814
Retained Earnings		9,220,397	8,770,145
<b>Total Equity</b>		<u>9,372,211</u>	<u>8,921,959</u>
<b>Non-Current Liabilities</b>			
Employee Defined Benefit Liabilities	10	27,984	40,897
Deferred Tax Liability	17	29,251	38,450
		<u>57,235</u>	<u>79,347</u>
<b>Current Liabilities</b>			
Trade Payables and Other Payables	11	66,812	631,057
Amounts Due to Related Parties	12	49,340	31,498
Income Tax Payable		1,375	125,639
		<u>117,527</u>	<u>788,194</u>
<b>Total Liabilities</b>		<u>174,762</u>	<u>867,541</u>
<b>Total Equity and Liabilities</b>		<u>9,546,973</u>	<u>9,789,500</u>

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.

  
.....  
Head of Finance

The Board of Directors is responsible for these Financial Statements.



  
.....  
Director

  
.....  
Director

The accounting policies and notes on pages 07 through 22 form an integral part of the Financial Statements.

23 May 2022  
Colombo

Motherson Electrical Wires Lanka (Private) Limited

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2022

	Notes	2022 USD	2021 USD
Revenue	13	18,865,922	15,726,267
Cost of Sales		<u>(14,513,151)</u>	<u>(11,795,215)</u>
<b>Gross Profit</b>		4,352,771	3,931,052
Administrative Expenses		(841,991)	(397,308)
Distribution Costs		(124,646)	(87,480)
<b>Operating Profit</b>		<u>3,386,134</u>	<u>3,446,264</u>
Other Income		14,442	6,512
Finance Income	14	1,597	9,699
Finance Costs	15	(5,144)	(5,094)
<b>Profit before Tax</b>	16	<u>3,397,030</u>	<u>3,457,381</u>
Income Tax Expense	17	(477,089)	(453,856)
<b>Profit for the year</b>		<u><u>2,919,941</u></u>	<u><u>3,003,525</u></u>
<b>Other Comprehensive Income</b>			
<i>Other Comprehensive Income not to be Reclassified to Comprehensive Income in Subsequent Periods</i>			
Re-measurement (Loss)/Gain on Employee Defined Benefit Liabilities	10	6,807	4,518
Deferred Tax Attributable to Re-measurement of Employee Defined Benefit Liabilities	17	(953)	(633)
<b>Other Comprehensive Income for the year</b>		<u>5,854</u>	<u>3,885</u>
<b>Total Comprehensive Income for the year</b>		<u><u>2,925,795</u></u>	<u><u>3,007,410</u></u>
Basic Earnings per Share	18	2.01	2.06
Dividend per Share	19	1.70	-

The accounting policies and notes on pages 07 through 22 form an integral part of the Financial Statements.

Motherson Electrical Wires Lanka (Private) Limited

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

	<b>Stated Capital USD</b>	<b>Retained Earnings USD</b>	<b>Total USD</b>
<b>Balance as at 01 April 2020</b>	151,814	5,762,735	5,914,549
Profit for the year	-	3,003,525	3,003,525
Other Comprehensive Income	-	3,885	3,885
Total Comprehensive Income	-	3,007,410	3,007,410
Dividend paid - 2020	-	-	-
<b>Balance as at 31 March 2021</b>	<u>151,814</u>	<u>8,770,145</u>	<u>8,921,959</u>
<b>Balance as at 01 April 2021</b>	151,814	8,770,145	8,921,959
Profit for the year	-	2,919,941	2,919,941
Other Comprehensive Income	-	5,854	5,854
Total Comprehensive Income	-	2,925,795	2,925,795
Dividend paid - 2021	-	(2,475,543)	(2,475,543)
<b>Balance as at 31st March 2022</b>	<u>151,814</u>	<u>9,220,397</u>	<u>9,372,211</u>

The accounting policies and notes on pages 07 through 22 form an integral part of the Financial Statements.

# Motherson Electrical Wires Lanka (Private) Limited

## STATEMENT OF CASH FLOWS

Year ended 31 March 2022

	Notes	2022 USD	2021 USD
<b>Operating Activities</b>			
Profit before Tax		3,397,030	3,457,381
<b>Adjustments for:</b>			
Depreciation of Property, Plant and Equipment		107,360	183,950
Gain/ (Loss) on Disposal of Property Plant and Equipment		(14,362)	(6,512)
Provision for Obsolete and Slow-moving Inventories		7,303	5,725
Finance Income	14	(1,597)	(9,699)
Interest Expenses	15	328	810
Provision for Employee Defined Benefit Liabilities	10	8,137	8,136
Unrealised Exchange Gain	10	(14,021)	(2,114)
<b>Operating Profit before Working Capital Changes</b>		<u>3,490,178</u>	<u>3,637,677</u>
<b>Working Capital Changes:</b>			
Inventories		1,823,294	(2,329,462)
Prepayments and Other Receivables		478,621	(109,308)
Amounts Due from Related Parties		(1,496,466)	387,450
Trade and Other Payables		(564,245)	(117,425)
Amounts Due to Related Parties		17,842	(5,389)
<b>Cash generated from Operations</b>		<u>3,749,224</u>	<u>1,463,543</u>
Interest paid		(328)	(810)
Finance Income received		1,597	9,699
Employee Defined Benefit Liabilities paid	10	(222)	(8,141)
Income Tax paid		(611,502)	(405,481)
<b>Net Cash flows from Operating Activities</b>		<u>3,138,769</u>	<u>1,058,810</u>
<b>Investing Activities</b>			
Acquisition of Property, Plant and Equipment		(31,508)	(5,722)
Proceeds from Disposal of Property, Plant and Equipment		15,118	6,512
<b>Net Cash flows used in Investing Activities</b>		<u>(16,390)</u>	<u>790</u>
<b>Financing Activities</b>			
Dividend paid		(2,475,543)	-
<b>Net Cash flows used in Financing Activities</b>		<u>(2,475,543)</u>	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents</b>		646,835	1,059,601
<b>Cash and Cash Equivalents at the beginning of the year</b>	8	<u>1,263,255</u>	<u>203,655</u>
<b>Cash and Cash Equivalents at the end of the year</b>	8	<u><u>1,910,090</u></u>	<u><u>1,263,255</u></u>

The accounting policies and notes on pages 07 through 22 form an integral part of the Financial Statements.

**1. CORPORATE INFORMATION**

**1.1 General**

Motherson Electrical Wires Lanka (Private) Limited is a limited liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company and principal place of operations is No. 32 Miles Stone, Pinnalande Estate, Watareka, Padukka.

**1.2 Principal Activities and Nature of Operations**

The principal activity of the Company was manufacturing, fabricating and assembling automobile wires.

**1.3 Parent Enterprise and Ultimate Parent Enterprise**

The Company's parent entity is Motherson Sumi Systems Limited, which is incorporated in India.

**1.4 Date of Authorization for Issue**

The Financial Statements of Motherson Electrical Wires Lanka (Private) Limited for the year ended 31 March 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 23 May 2022.



## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of Preparation and Statement of Compliance**

The Financial Statements of the Company comprises the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with accounting policies and notes.

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities (“SLFRS for SMEs”) issued by the Institute of Chartered Accountants of Sri Lanka, and also in compliance with the requirements of the Companies Act No. 07 of 2007.

The Financial Statements have been prepared on the historical cost basis unless otherwise indicated and presented in US Dollars (USD), which is the Company's functional and presentation currency.

The accounting policies adopted are consistent with those of the previous financial year.

### **2.2 Going Concern**

The Company's management has assessed the current economic conditions prevalent in the Country and its likely impacts on the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.

### **2.3 Foreign Currency**

The Financial Statements of the Company are presented in US Dollars. The primary source of income and expenditure of the Company are in US Dollars and hence it is determined that US Dollars as the functional currency of the Company.

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

### **2.4 Comparative Figures**

Certain comparatives figures have been reclassified in order to conform to the presentation for the current period. Such reclassifications were made to improve the quality of presentation and do not affect previously reported profit or equity.

### **2.5 Property, Plant and Equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation. Subsequent costs are included in the assets carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost can be reliably measured. Other costs are charged to the Statement of Comprehensive Income during the year in which they are incurred.

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the Company's assets for the calculation of depreciation are as follows:

Leasehold improvements	5 years
Office equipment	3 years
Plant and equipment	6 to10 years
Computers	3 years
Motor vehicles	4 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of the fair value less costs to sell and the value in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 item) is included in the Statement of Comprehensive Income in the period the item is derecognised.

The assets residual value, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting period end, and adjusted prospectively, if appropriate.

## 2.6 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition and are determined as follows:

- Raw material are valued at weighted average costs
- Finished goods and work in progress are valued at weighted average costs, which includes all direct expenditure and appropriate share of production overhead based on normal operating capacity
- Goods-in-transits are valued at actual costs

Provision for inventory obsolescence is estimated on a systematic basis and deducted from the gross carrying value of the inventory.

Net realisable value is based on the estimated selling price in the ordinary course of business less any further costs expected to be incurred on completion and disposal.

## 2.7 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount

## **2.8 Cash and Cash Equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand and at banks, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash on hand and at banks, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## **2.9 Financial Instruments**

### **2.9.1 Financial Assets**

#### **Initial Recognition and Measurement**

Financial assets within the scope of Section 11 &12 are classified as Financial Assets at Fair Value through Profit or Loss, Loans and Receivables, Held-to-Maturity investments cash flow hedge, or Available-for-Sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

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

The Company's financial assets include bank balances and cash and amounts due from related parties.

#### **Subsequent Measurement**

The subsequent measurement of financial assets depends on their initial classification and is as described below:

#### **Trade and Other Receivable, Amounts due from related parties and deposits**

Trade and other and receivables, amounts due from related parties and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. The EIR amortisation is included in finance income in the Statement of Comprehensive Income. The losses arising from impairment are recognised in the Statement of Comprehensive Income.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### **Impairment of Financial Assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### **Financial Assets Carried at Amortised Cost**

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Comprehensive Income. The assets are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write off is later recovered, the recovery is credited to the Statement of Comprehensive Income.

## **2.9.2 Financial Liabilities**

### **Initial Recognition and Measurement**

Financial liabilities within the scope of Section 11 & 12 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

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

The Company financial liabilities include trade and other payables and amounts due to related parties.

### **Subsequent Measurement**

After initial recognition, trade and other payables and amounts due to related parties are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method (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 comprehensive income

### **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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income

### **2.10 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

### **2.11 Employee Benefits**

#### **Employee Defined Benefit Plan – Gratuity**

Provision has been made in the financial statements for retirement benefit obligations from the first year of service for all employees in conformity with Sri Lanka Accounting Standard (SLFRS for SME Section 28) – Employee Benefits.

The cost of defined benefit plans is determined internally by the management using the projected unit credit method. Projected valuations for defined benefit plans are carried out annually. The discount rate applied in arriving at the present value of the pension liability represents the yield on high quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

#### **Employee Contribution Plan – EPF and ETF**

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The company contributes the defined percentages of gross emoluments of employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

### **2.12 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes.

The specific recognition criteria described below must also be met before revenue is recognised.

#### **Sale of Goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

### **Gains and Losses**

Net gains and losses of a revenue nature arising from the disposal of other non-current assets, are accounted in the Statement of Comprehensive Income, after deducting the carrying amount from proceeds on disposal of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the 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.

### **Interest Income**

Interest income is recorded as it accrues using the effective interest method.

### **Others**

Other income is recognized on an accrual basis.

## **2.13 Expenditure Recognition**

Expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Comprehensive Income.

For the purpose of presentation of the Statement of Comprehensive Income, the Directors are of the opinion that “function of expenses” method presents fairly the elements of the Company’s performance, and hence such presentation method is adopted.

### **Finance Costs**

Finance costs comprise interest expense on bank overdrafts. Interest expense is recorded as it accrues using the effective interest method.

### **Operating Leases**

Operating lease payments are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

### **Others**

Other expenses are recognized on an accrual basis.

## **2.14 Taxation**

### **Current Income Tax**

Current income tax assets and liabilities 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.

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 Taxation**

Deferred tax is provided 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 recognized for all temporary differences, except:

- Where the deferred tax liability arises from an asset or liability in a transaction that affects neither the accounting profit nor the taxable profit.

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

- Where the deferred tax assets relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor the taxable profit.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets are realized or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in the Statement of Comprehensive Income or Statement of Other Comprehensive Income.

### **Turnover Based Taxes**

Turnover based taxes relate to Value Added Tax. The Company pay such tax in accordance with the respective statute.

## **3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future.

### ***Impairment of inventories***

Inventories are held at the lower of cost and net realisable value. When inventories become slow moving or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are slow moving or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date, gross inventories of the Company were USD 1,922,055 (2021 : USD 3,745,348) with provision for obsolete and slow-moving inventories amounting to USD 17,218 (2021: 9,915).

***Employee Defined Benefit Plan – Gratuity***

Provision has been made in the financial statements for retirement benefit obligations from the first year of service for all employees in conformity with Sri Lanka Accounting Standard (SLFRS for SME Section 28) – Employee Benefits.

The cost of defined benefit plans is determined internally by the management using the projected unit credit method. Projected valuations for defined benefit plans are carried out annually. The discount rate applied in arriving at the present value of the pension liability represents the yield on high quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

***Going Concern***

The Company's management has assessed the current economic conditions prevalent in the Country and its likely impacts on the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.



Motherson Electrical Wires Lanka (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. PROPERTY, PLANT AND EQUIPMENT

<b>Gross Carrying Amounts</b>	<b>Balance As at 01.04.2021 USD</b>	<b>Additions USD</b>	<b>Disposal / Transfers USD</b>	<b>Balance As at 31.03.2022 USD</b>
<b>At Cost</b>				
Leasehold Improvements	229,787	17,563	-	247,350
Office Equipment	52,198	9,975	-	62,173
Plant and Equipment	4,053,373	1,173	-	4,054,546
Computers	69,125	8,519	-	77,644
Motor Vehicles	55,370	-	(33,447)	21,923
<b>Total Value of Depreciable Assets</b>	<b>4,459,852</b>	<b>37,230</b>	<b>(33,447)</b>	<b>4,463,635</b>
<b>In the Course of Construction</b>				
Capital Work-In-Progress	5,722	-	(5,722)	-
	<b>5,722</b>	<b>-</b>	<b>(5,722)</b>	<b>-</b>
<b>Total Gross Carrying Amount</b>	<b>4,465,574</b>	<b>37,230</b>	<b>(39,169)</b>	<b>4,463,635</b>
<b>Accumulated Depreciation</b>				
<b>At Cost</b>				
	<b>Balance As at 01.04.2021 USD</b>	<b>Charge for the year USD</b>	<b>Disposals USD</b>	<b>Balance As at 31.03.2022 USD</b>
Leasehold Improvements	204,210	13,362	-	217,572
Office Equipment	42,902	7,403	-	50,304
Plant and Equipment	3,723,917	82,838	-	3,806,755
Computers	68,542	3,081	-	71,624
Motor Vehicles	53,935	676	(32,689)	21,923
<b>Total Depreciation</b>	<b>4,093,506</b>	<b>107,360</b>	<b>(32,689)</b>	<b>4,168,177</b>
<b>Net Book Value</b>			<b>31.03.2022 USD</b>	<b>31.03.2021 USD</b>
Leasehold Improvements			29,778	25,577
Office Equipment			11,869	9,296
Plant and Equipment			247,791	329,456
Computers			6,020	582
Motor Vehicles			-	1,435
			<b>295,458</b>	<b>366,346</b>
Capital Work-In-Progress			-	5,722
			-	5,722
			<b>295,458</b>	<b>372,068</b>

4.1 During the period, the Company acquired property, plant and equipment to the aggregate value of USD 31,508 (2021: USD 5,722). Cash/Bank payments amounting to USD 31,508 (2021 : USD 5,722) were made during the period for purchase of property, plant and equipment.

4.2 Property, plant and equipment includes fully depreciated assets having gross carrying amounts of USD 3,652,231 (2021: USD 3,486,679) and continue to be in use by the Company.

4.3 The building have been constructed on a leasehold land under an operating lease from D.P.S Global (Private) Limited for a period of 5 years commencing from 01 January 2019. The Company expensed USD 56,956 per annum as lease rental.

# Motherson Electrical Wires Lanka (Private) Limited

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

<b>5. INVENTORIES</b>	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Raw Materials	109,520	1,634,451
Work in Progress	896,982	1,119,362
Finished Goods	496,397	512,092
Goods in Transit	419,156	479,444
	<u>1,922,055</u>	<u>3,745,348</u>
Provision for Obsolete and Slow-moving Inventories	(17,218)	(9,915)
	<u>1,904,836</u>	<u>3,735,433</u>

Movements in the provision for obsolete and slow-moving inventories are as follows:

At 1 April	9,915	4,190
Provided during the year	7,303	5,725
As at 31 March	<u>17,218</u>	<u>9,915</u>

<b>6. PREPAYMENTS AND OTHER RECEIVABLES</b>	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Deposits and Advances	13,948	474,875
Prepayments	2,881	4,243
Other Receivables	11,779	28,111
	<u>28,608</u>	<u>507,229</u>

<b>7. AMOUNTS DUE FROM RELATED PARTIES</b>		<b>2022</b>	<b>2021</b>
<b>Trade Receivables</b>	<b>Relationship</b>	<b>USD</b>	<b>USD</b>
Kyungshin Industrial Motherson Limited	Affiliate	5,407,981	3,508,065
Motherson Sumi Systems Limited	Parent	-	403,450
Motherson Sumi Electric Wires, Bangalore (" A Division of Motherson Sumi Systems Limited")		-	-
Rajeshwari Recyclers LLP		-	-
		<u>5,407,981</u>	<u>3,911,515</u>
		<u>5,407,981</u>	<u>3,911,515</u>

Transactions with related parties are disclosed in Note 23.

**Motherson Electrical Wires Lanka (Private) Limited**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2022

**8. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statement of cash flows include the following statement of financial position amounts:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Favourable Cash and Cash Equivalent Balances</b>		
Cash on Hand	453	1,355
Bank Balances	1,909,637	761,900
Bank Balances and Cash	<u>1,910,090</u>	<u>763,255</u>
Short-term Deposits	-	500,000
	<u>1,910,090</u>	<u>500,000</u>
<b>Total Cash and Cash Equivalents for the purpose of Cash Flow Statement</b>	<u><u>1,910,090</u></u>	<u><u>1,263,255</u></u>

**9. STATED CAPITAL**

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>	<b>USD</b>	<b>USD</b>
Fully Paid Ordinary Shares	<u>1,456,202</u>	<u>1,456,202</u>	<u>151,814</u>	<u>151,814</u>

**10. EMPLOYEE DEFINED BENEFIT LIABILITIES**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
At the beginning of the year	40,897	47,534
Current Service Cost	3,903	5,355
Interest Cost	4,234	2,781
Actuarial Loss/(Gain)	(6,807)	(4,518)
Benefits paid	(222)	(8,141)
Exchange Gain	(14,021)	(2,114)
At the end of the year	<u>27,984</u>	<u>40,897</u>

Following principal assumptions were used in determining employee defined benefit liabilities:

	<b>2022</b>	<b>2021</b>
Future salary increases	10.00%	7.50%
Discount rate	12.25%	7.44%

# Motherson Electrical Wires Lanka (Private) Limited

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

<b>11. TRADE AND OTHER PAYABLES</b>	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Accrued Expenses	1,778	2,158
Trade Payables	32,080	541,686
Other Payables	32,954	87,213
	<u>66,812</u>	<u>631,057</u>

<b>12. AMOUNTS DUE TO RELATED PARTIES</b>		<b>2022</b>	<b>2021</b>
	<b>Relationship</b>	<b>USD</b>	<b>USD</b>
<b>Other Payables</b>			
Sumitomo Wiring Systems Limited, Japan	Affiliate	38,011	-
Motherson Sumi InfoTech and Design Limited	Affiliate	3,581	9,490
Motherson Air Travel Agencies Limited	Affiliate	939	99
Motherson Sumi Electric Wires, Noida (" A Division of Motherson Sumi Systems Limited")	Affiliate	2,496	10,769
Motherson Auto Limited	Affiliate	-	-
Edcol Global Pte. Limited	Affiliate	-	-
Motherson Sumi Systems Limited, GmbH	Affiliate	4,088	-
Mothereson Sumi Electric Wires - Bangalore	Affiliate	225	5,722
Samvardhana Motherson Global Carriers Limited	Affiliate	-	5,418
		<u>49,340</u>	<u>31,498</u>

Transactions with related parties are disclosed in Note 23.

<b>13. REVENUE</b>	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Export Sales	18,861,525	15,721,375
Local Sales	4,397	4,893
	<u>18,865,922</u>	<u>15,726,267</u>

<b>14. FINANCE INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Interest Income from Short Term Deposits	1,597	9,699
	<u>1,597</u>	<u>9,699</u>

<b>15. FINANCE COSTS</b>	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Bank Charges	4,815	4,284
Interest Expenses on Bank Overdraft	328	810
	<u>5,144</u>	<u>5,094</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

**16. PROFIT BEFORE TAX**

Profit before tax is stated after charging all expenses including the following:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<i>Included in Cost of Sales:</i>		
Cost of Material Consumed	13,886,179	11,185,580
Employee Benefits including the following;	113,788	86,916
- Employee Defined Benefit Liabilities - Gratuity	2,604	2,685
- Defined Contribution Plan Costs - EPF and ETF	4,997	5,483
Depreciation	105,043	166,562
Royalty	72,694	24,499
<i>Included in Administrative Expenses:</i>		
Employee Benefits including the following;	139,973	186,370
- Employee Defined Benefit Liabilities - Gratuity	5,533	5,451
- Defined Contribution Plan Costs - EPF and ETF	10,619	11,131
Professional Charges	41,168	52,718
Depreciation	2,317	17,386
Auditors Remuneration	4,282	5,915
Legal Fees	43	141
Exchange Loss	528,449	10,183

**17. INCOME TAX EXPENSES**

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

**Statement of Comprehensive Income**

**Current Income Tax**

Current Income Tax Expense	487,507	509,102
Under/(Over) Provision of Current Taxes in Respect of Prior Year	(1,219)	(33,032)
	<u>486,288</u>	<u>476,070</u>

**Deferred Income Tax**

Deferred Taxation Charge/ (Reversal)	(9,199)	(22,214)
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**Income Tax Expense recognised in Statement of Comprehensive Income**

	<u>477,089</u>	<u>453,856</u>
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**Statement of Other Comprehensive Income**

Deferred Tax attributable to re-measurement of Employee Defined Benefit Liabilities	(953)	633
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**Deferred Tax (Reversal)/Charge recognised in Statement of Other Comprehensive Income**

	<u>(953)</u>	<u>633</u>
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**17.2 Reconciliation between Current Tax Expense and Accounting Profit**

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 March are as follows:

Profit before Tax	3,397,030	3,457,381
Disallowable Expenses	123,169	192,086
Allowable Expenses	(40,979)	(29,968)
Taxable Business Income	<u>3,479,220</u>	<u>3,619,500</u>

**Other Sources of Income**

Interest Income	1,597	9,699
Taxable Other Income	<u>1,597</u>	<u>9,699</u>

Income Tax at 14% on Taxable Business Income	486,978	506,572
Income Tax at 18% on Taxable Other Income	146	202
Income Tax at 24% on Taxable Other Income	383	2,328
Current Income Tax Charge	<u>487,507</u>	<u>509,102</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

17. INCOME TAX EXPENSE (Contd...)

17.3 Deferred Tax Liability	Statement of Financial Position		Statement of Comprehensive Income	
	2022 USD	2021 USD	2022 USD	2021 USD
Accelerated Depreciation for Tax Purposes	33,169	44,176	(11,007)	(22,510)
Employee Defined Benefit Liabilities	(3,918)	(5,726)	1,808	929
Deferred Tax Charge			(9,199)	(21,581)
Net Deferred Tax Liability	<u>29,251</u>	<u>38,450</u>		
Deferred Tax Charge/(Reversal) during the year recognised in the Statement of Comprehensive Income			(8,246)	(22,214)
Deferred Tax (Reversal)/Charge during the year recognised in the Statement of Other Comprehensive Income			(953)	633
			<u>(9,199)</u>	<u>(21,581)</u>

18. EARNINGS PER SHARE

Basic Earnings per Share

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

	2022 USD	2021 USD
<b>Amount used as the Numerator:</b>		
Profit for the year attributable to ordinary shareholders of the Company	2,919,941	3,003,525
<b>Number of Ordinary Shares used as the Denominator:</b>		
Weighted average number of ordinary shares	1,456,202	1,456,202
Basic Earnings per Share	2.01	2.06

19. DIVIDEND PER SHARE

Dividend per share is calculated by considering the dividend paid for the year divided by the number of shares in issue which ranked for those divided.

	2022 USD	2021 USD
Dividend paid	2,475,543	-
Dividend per Ordinary Share	1.70	-

20. CONTINGENCIES AND COMMITMENTS

There were no significant Capital Commitments and contingent liabilities as at reporting date in the company except as detailed below,

On 25th February 2019, The Company has submit an appeal against an assessment issued by Department of Inland Revenue Sri Lanka dated on 30th May 2018 in relation to the taxable income for the Y/A 2015/2016. As per the assessment, the tax in default amounted to USD 267,441/- ( Rs. 79,964,876/-) and the penalty thereon amounted to USD 135,877/- ( Rs. 40,627,243.55). No provision has been made in these financial statements in respect of the above assessment, as the directors of the Company are confident that the there is no likelihood of additional tax payments resulting on the same.

As at reporting date, the Company has following operating lease and other commitments.

The Company has an annual commitment of USD 3,100 as ground rent to the Board of Investment of Sri Lanka.

The Company has to pay 1.5% royalty charge to Sumitomo Wiring Systems Limited calculated on sales less cost of material applicable to such sales.

The Company has an annual commitment to pay USD 66,781 as factory rent up to 31 December 2023 and thereafter the rent will be determined under the new terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

**21. ASSETS PLEDGED**

Bank Overdrafts are secured over Plant & Machinery and Debtors.

**22. EVENTS AFTER THE REPORTING DATE**

There have been no material events occurring after the reporting date that require adjustments to or disclosures in the financial statements.

**23. RELATED PARTY DISCLOSURES**

Related parties represent the shareholders and key management personnel of the Company and entities controlled or jointly controlled by such parties. Pricing policies and terms of transactions with these related parties are approved by the Company's management.

**Related Party Transactions**

Transactions with related parties are as follows:

Related Party	Relationship	Nature of Transaction	Transaction Value	
			2022 USD	2021 USD
Kyungshin Industrial Motherson Limited	Affiliate	Sales of PVC Insulated Wires	18,496,031	14,126,311
Motherson Sumi Systems Limited	Parent	Sales of PVC Insulated Wires	365,494	1,333,775
Samavardhana Motherson Global Carriers Limited	Affiliate	Logistic Support Services	-	(5,418)
Motherson Sumi Electric Wires, Chennai ("A Division of Motherson Sumi Systems Limited")	Affiliate	Purchases of Raw Materials	(928,352)	(989,629)
Motherson Sumi InfoTech and Design Limited	Affiliate	Software Maintenance Fee	(26,810)	(37,492)
Sumitomo Wiring Systems Limited, Japan	Affiliate	Royalty Expense	(72,694)	(24,499)
		Purchase of spare parts	(5,266)	(6,225)
Motherson Sumi Systems Limited, GmbH	Affiliate	Insurance Advisory & Professional Expense	(27,784)	(32,744)
Motherson Air Travel Agencies Limited	Affiliate	Air Ticket Charges	(5,018)	(1,562)
Motherson Auto Limited	Affiliate	Maintenance Support Fee		-
Motherson Sumi Electric Wires, Noida ("Division of Motherson Sumi Systems Limited")	Affiliate	Purchase of Spare Parts & Misc Expense	(37,788)	(27,806)
Edcol Global Pte. Limited	Affiliate	Purchase of Spare Parts	(360)	(827)
Motherson Sumi Electrical Wires, Bangalore ("Division of Motherson Sumi Systems Limited")	Affiliate	Purchase of Printer (CWIP)	-	(5,722)
Motherson Sumi Electrical Wires, Bangalore ("Division of Motherson Sumi Systems Limited")	Affiliate	Purchase of Spare Parts	(225)	(542)
MSSL MID EAST (FZE)	Affiliate	Purchase of Spools	(22,770)	-

**Related Party Balances**

Amounts due from and due to related parties are disclosed in Notes 7 and 12, respectively.

The Company has not recorded any impairment of receivables relating to amounts due from related parties as at 31 March 2022 (2021: Nil). This assessment is undertaken in each financial period through examining the financial position of the related party and the market in which the related party operates.

**Transaction with Key Management Personnel**

Key Management Personnel include the Board of Directors of the Company. There have been no emoluments paid to Key Management Personnel during the year.

No Material transactions have taken place during the year with the key management personnel of the Company.

No material transactions have taken place during the year with the parties/entities in which key management personnel or their close family members have control or jointly control, which require disclosure in these financial statements other than those disclosed above.

**MOTHERSON ELECTRICAL WIRES LANKA (PRIVATE) LIMITED**

**DETAILED EXPENDITURE STATEMENT  
YEAR ENDED 31 MARCH 2022**



# Motherson Electrical Wires Lanka (Private) Limited

## DETAILED EXPENDITURE STATEMENT

Year ended 31 March 2022

### STATEMENT I

#### COST OF SALES

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Cost of Material Consumed	13,886,179	11,185,580
<b>Overhead Expenses</b>		
Salary	75,643	44,464
EPF and ETF	4,997	5,483
Gratuity	2,604	2,685
Bonus and Other Allowances	24,449	22,215
Overtime Expenses	6,094	12,069
Electricity Expenses	114,375	132,933
Depreciation	105,043	166,562
Repair and Maintenance	111,399	82,526
Consumable Stores	28,148	44,970
Factory Rent	56,956	59,910
Royalty	72,694	24,499
Equipment ( Moulds & Dies) Expenses	23,196	9,664
Other Expenses ( Testing & Others)	535	1,655
Uniform Staff	840	-
	<u>626,972</u>	<u>609,635</u>
	<u>14,513,151</u>	<u>11,795,215</u>

# Motherson Electrical Wires Lanka (Private) Limited

## DETAILED EXPENDITURE STATEMENT

Year ended 31 March 2022

### STATEMENT II

#### ADMINISTRATIVE EXPENSES

	2022	2021
	USD	USD
Salary	58,471	79,210
EPF and ETF	10,619	11,131
Gratuity	5,533	5,451
Bonus and Other Allowances	25,033	50,127
Staff Welfare	30,496	28,500
Medical Expenses	5,286	7,180
Staff Rent	4,421	4,683
Training Expenses	113	87
Professional Charges	41,168	52,718
Exchange Loss	528,449	10,183
Computer Maintenance and Software Charges	28,339	40,564
Depreciation	2,317	17,386
Security Charges	20,671	22,005
Vehicle Hire Charges	15,397	11,660
Foreign & Inland Travelling	11,260	4,742
Insurance	16,641	17,011
Repair and Maintenance	222	932
Audit Fee	4,282	5,915
Telephone Charges	5,584	6,349
Office Expenses	11,022	10,330
Vehicle Repair and Fuel	3,516	2,814
Other Rates & Charges	16	118
Printing and Stationery	5,745	3,334
Postage and Courier	1,463	1,307
Legal Fee	43	141
Other Sundry Expenses	5,883	3,429
	<u>841,991</u>	<u>397,308</u>

### STATEMENT III

#### DISTRIBUTION COST

	2022	2021
	USD	USD
Freight and Forwarding	40,847	41,798
Packing Expenses	83,798	45,682
	<u>124,646</u>	<u>87,480</u>