

**ASSOCIATED BATTERY MANUFACTURERS  
(CEYLON) LIMITED**

**Balance Sheet  
And  
Auditors' Report  
2019-20**

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

BW/MT/AD

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF ASSOCIATED BATTERY MANUFACTURERS (CEYLON) LIMITED**

**Report on the Financial Statements**

**Opinion**

We have audited the financial statements of Associated Battery Manufacturers (Ceylon) Limited, ("the Company"), which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss, 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 2020, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards 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 Standards 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.

**Auditors' 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.

22 May 2020  
Colombo



## STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	2020 Rs.	Restated 2019 Rs.	Restated 2018 Rs.
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	4	659,854,537	622,070,625	560,040,258
Intangible Assets	5	7,488,925	12,286,684	7,433,031
Loans to company employees	7	9,596,285	5,538,666	5,832,212
		<u>676,939,747</u>	<u>639,895,975</u>	<u>573,305,501</u>
<b>Current Assets</b>				
Inventories	6	844,377,776	610,742,719	696,640,986
Trade and Other Receivables	7	973,091,346	1,003,941,488	920,812,670
Income Tax Receivable		20,803,801	-	-
Cash and Cash Equivalents	19	17,081,261	300,680	35,903,200
		<u>1,855,354,184</u>	<u>1,614,984,887</u>	<u>1,653,356,856</u>
<b>Total Assets</b>		<u>2,532,293,931</u>	<u>2,254,880,862</u>	<u>2,226,662,357</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated Capital	8	63,360,000	63,360,000	63,360,000
Reserves	9	82,799,732	82,799,732	82,799,732
Retained Earnings		310,450,970	279,232,317	512,068,478
		<u>456,610,702</u>	<u>425,392,049</u>	<u>658,228,210</u>
<b>Non-Current Liabilities</b>				
Deferred Tax Liability	11	68,865,914	71,627,623	71,195,826
Retirement Benefit Liability	12	39,242,464	32,453,504	33,935,672
Interest Bearing Loans and Borrowings	10	68,577,064	86,570,976	40,344,094
		<u>176,685,442</u>	<u>190,652,103</u>	<u>145,475,592</u>
<b>Current Liabilities</b>				
Trade and Other Payables	13	807,609,745	867,400,707	940,946,364
Interest Bearing Loans and Borrowings	10	1,045,861,950	699,673,080	429,937,435
Income Tax Payable		-	26,512,577	22,511,470
Warranty Provisions	14	45,526,092	45,250,346	29,563,286
		<u>1,898,997,787</u>	<u>1,638,836,710</u>	<u>1,422,958,555</u>
<b>Total Equity and Liabilities</b>		<u>2,532,293,931</u>	<u>2,254,880,862</u>	<u>2,226,662,357</u>

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

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Head - Finance

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 07 through 22 form an integral part of the Financial Statements.



## STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2020

	Note	2020 Rs.	Restated 2019 Rs.
Revenue	3	3,710,790,914	3,453,678,182
Cost of Sales		(3,441,886,726)	(3,429,121,556)
<b>Gross Profit</b>		<u>268,904,188</u>	<u>24,556,626</u>
Other Income and Gains	15	22,661,237	17,783,106
Administrative Expenses		(136,784,112)	(81,387,639)
Finance Cost	16	(103,242,327)	(81,975,554)
<b>Profit/ (Loss) Before tax</b>	17	<u>51,538,986</u>	<u>(121,023,461)</u>
Income Tax Expense	11	(20,320,334)	(67,460,700)
<b>Profit/ (Loss) for the year</b>		<u><u>31,218,652</u></u>	<u><u>(188,484,161)</u></u>
Earnings/(Loss) Per Share	18	4.93	(29.75)

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



## STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2020

	Stated Capital Rs.	Revenue Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 April 2018	63,360,000	82,799,732	807,676,738	953,836,470
Restatement (Note 24)	-	-	(295,608,260)	(295,608,260)
Balance as at 1 April 2018 - Restated	63,360,000	82,799,732	512,068,478	658,228,210
Net loss for the year	-	-	(188,484,161)	(188,484,161)
Dividends - 2017/2018	-	-	(44,352,000)	(44,352,000)
Balance as at 31 March 2019 - Restated	63,360,000	82,799,732	279,232,317	425,392,049
Net profit for the year	-	-	31,218,652	31,218,652
Balance as at 31 March 2020	63,360,000	82,799,732	310,450,970	456,610,702

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



## STATEMENT OF CASH FLOWS

Year ended 31 March 2020

	Note	2020 Rs.	Restated 2019 Rs.
<b>Cash Flows From / (Used in) Operating Activities</b>			
Profit/(loss) before tax		51,538,986	(121,023,461)
Adjustments for			
Depreciation	4	83,980,445	66,654,344
Amortization	5	3,430,297	2,025,187
Development cost write off		2,323,870	-
Income from investments	15	(118,769)	(106,782)
Profit on sales of property, plant and equipment		-	(3,110,000)
Finance costs	16	103,242,327	81,975,554
Warranty provision	14	77,183,118	56,158,475
Provision for Retirement Benefit Liability	12	12,189,510	4,587,026
Amotisation of pre paid cost on staff loan		893,284	2,214,930
Fair value adjustment on staff loans		(1,319,446)	(2,214,930)
Operating Profit before Working Capital Changes		333,343,622	87,160,343
(Increase)/ Decrease in Inventories		(233,635,057)	85,898,267
(Increase)/ Decrease in Trade and Other Receivables		27,218,687	(82,835,275)
Decrease in Trade and Other Payables		(59,790,962)	(73,545,657)
Cash Generated from Operations		67,136,290	16,677,678
Gratuity Paid During the year	12	(5,400,551)	(6,069,194)
Income Tax Paid		(70,398,421)	(63,027,795)
Warranty Payments	14	(76,907,372)	(40,471,415)
Net Cash Used in Operating Activities		(85,570,054)	(92,890,726)
<b>Cash Flows from / (Used in) Investing Activities</b>			
Acquisition of Property, Plant and Equipment	4	(121,764,357)	(128,684,710)
Acquisition of Intangible Assets	5	(956,408)	(6,878,840)
Proceeds from Sale of Property, Plant and Equipment		-	3,110,000
Interest Received		118,769	106,782
Net Cash Flows Used in Investing Activities		(122,601,996)	(132,346,768)
<b>Cash Flows from/(Used in) Financing Activities</b>			
Proceeds From Interest Bearing Loans and Borrowings	10	2,505,590,069	1,752,358,624
Repayment of Interest Bearing Loans and Borrowings	10	(2,137,454,784)	(1,501,091,807)
Dividends Paid		-	(44,352,000)
Finance Cost paid		(103,242,327)	(81,975,554)
Net Cash Flows from Financing Activities		264,892,958	124,939,263
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		56,720,908	(100,298,231)
<b>Cash and Cash Equivalents at the beginning of the year</b>		(230,213,347)	(129,915,116)
<b>Cash and Cash Equivalents at the end of the year</b>		(173,492,439)	(230,213,347)

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





**1. CORPORATE INFORMATION**

**1.1 General**

Associated Battery Manufacturers (Ceylon) Limited ("Company") is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at 481, T. B. Jayah Mawatha, Colombo 10, and the principal place of business is situated at 31, Katukurunduwatte Road, Off Attidiya Road, Ratmalana.

**1.2 Principal Activities and Nature of Operations**

During the year, the principal activities of the Company were manufacturing of lead acid automotive and motorcycle batteries.

**1.3 Parent Enterprise and Ultimate Parent Enterprise**

The Company's parent undertaking is Exide Industries Ltd. – India, which in the opinion of the directors, it is also the company's ultimate parent undertaking and controlling party.

**1.4 Date of Authorization for Issue**

The Financial Statements of Associated Battery Manufacturers (Ceylon) Limited for the year ended 31 March 2020 were authorized for issue in accordance with a resolution of the Board of Directors on 22 May 2020.





**2. GENERAL POLICIES**

**2.1 Basis of Preparation**

The Financial Statements which comprise the Statement of Financial Position as at 31 March 2020, and the Statement of Profit or Loss, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and Other Explanatory Notes, have been prepared on a historical cost basis and are presented in Sri Lanka Rupees.

The preparation and presentation of these Financial Statements are in compliance with Companies Act No. 07 of 2007.

**2.1.1 Statement of Compliance**

The statement of financial position, statements of comprehensive income, changes in equity and cash flows, together with accounting policies and notes, ("Financial Statements") of the Company as at 31 March 2020 and for the year then ended, comply in all material respects with the applicable Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs).

**2.1.2 Comparative Information**

The accounting policies have been consistently applied by the Company during the year under review with those used in the previous year.

**2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the Financial Statements.

**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.

**Allowance for Doubtful Debts:**

The Company reviews at each reporting date all receivables to assess whether an allowance should be recorded in the income statement. The Management uses judgement in estimating such amounts in the light of the duration of outstanding and any other factors management is aware of, that indicate uncertainty in recovery.

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.3.1 Foreign Currency Translation**

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded 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 statement of financial position date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



### 2.3.2 Taxation

#### Current Taxes

Current income tax assets and liabilities for the current and prior periods 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 by the date of statement of financial position.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the relevant tax legislations.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

#### Deferred Taxation

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

Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets 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 assets and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

The carrying amount of deferred income tax assets is reviewed at each statement of financial position 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 income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement comprehensive income.

#### Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognized as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the statement of financial position.





**2.3.3 Borrowing Costs**

Borrowing costs are recognized as an expense in the period in which they are incurred.

**2.3.4 Inventories**

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

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

a) Raw Materials	- At weighted average cost
b) Work-in-progress	- At standard cost
c) Finished Goods	- At standard cost
d) Consumables and Spares	- At weighted average cost
e) Goods in Transit	- At Actual Cost

**2.3.5 Trade and Other Receivables**

Trade receivables are stated at the amounts that they are estimated to realize net of provisions for doubtful receivables.

Other receivables and dues from Related Parties are recognized at cost less provision for doubtful receivables.

**2.3.6 Cash and Cash Equivalents**

Cash and cash equivalents are defined as cash on 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 cash flow statement, cash and cash equivalents consist of cash on hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

**2.3.7 Property, Plant and Equipment**

Property, Plant and Equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the Property, Plant and Equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is calculated on a straight line basis over the useful life of the assets.

An item of Property, Plant and Equipment and Investment Property is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing 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 in the year the asset is derecognized.

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





#### 2.3.8 Other non-current Assets

##### Investments

##### a) Initial Recognition:

Cost of investment includes purchase cost and acquisition charges such as brokerages, fees, duties and bank regulatory fees. The company distinguishes and presents current and non current investment in the statement of financial position.

##### b) Measurement

##### Long Term Investments

Long term investments are stated at cost. Carrying amounts are reduced to recognize a decline other than temporary, determined for each investment individually. These reductions for other than temporary declines in carrying amounts are charged to statement of comprehensive income.

##### c) Disposal of Investments

On disposal of an investment, the different between net disposals and proceed and the carrying amounts is recognized as income or expense.

#### 2.3.9 Impairment of Non Financial Assets

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

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

#### 2.3.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognized 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 an interest expense.



### 2.3.11 Retirement Benefit Obligations

#### a) Defined Benefit Plan – Gratuity

The Company measures the present value of the promised retirement benefits of gratuity which is a defined benefit plan with the advice of an actuary every financial year using Projected Unit Cost Method.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 5 years of continued service.

The liability is not funded.

- b) Provision is made in these Financial Statements for the payment of Non- recurring cost of living gratuity payable to all the employees governed by the collective agreements.

#### c) 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. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

### 2.3.12 Warranties

All batteries sold are returnable for any manufacturing defects within 12 months for MF Batteries and within 24 months for UMF Batteries from the date of sale by the distributors.

Provision for manufacturing defects related warranty cost is based on the claims received up to the year end as well as the management estimate of the fair value of the future liabilities to be incurred during the period of warranty completion, on the basis of the past trends of such claims.

Up to 31 March 2002, no provision was made for any outstanding warranties, but expenses as warranties were charged direct to Statement of Comprehensive Income in the period in which goods were returned.

With effect from 01 April 2002, this policy was changed, whereby a provision is recognized for expected warranty claims on products sold during the year based on past experience of the level of returns. It is expected that all of these costs will be incurred in the next financial year.

### 2.3.13 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

#### a) Sale of Goods

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

#### b) Interest

Interest Income is recognized as the interest accrues unless collectability is in doubt.





c) **Dividends**

Dividend Income is recognized when the shareholders' right to receive the payment is established.

d) **Rental income**

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms.

e) **Others**

Other income is recognized on an accrual basis.





## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3. REVENUE	2020 Rs.	2019 Rs.
Sales of Goods - Local	3,579,477.812	3,373,285.633
- Export	131,313.102	80,392.549
	<u>3,710,790.914</u>	<u>3,453,678.182</u>

## 4. PROPERTY, PLANT AND EQUIPMENT

4.1 Gross Carrying Amounts	Balance As at 01.04.2019 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2020 Rs.
<b>At Cost</b>				
Land	59,475,299	-	-	59,475,299
Buildings	124,938,743	6,426,269	-	131,365,011
Plant and Machinery	946,709,040	147,391,529	-	1,094,100,569
Motor Vehicles	201,990	-	-	201,990
Tools & Mould	53,695,894	-	-	53,695,895
Computer & Electronic Appliance	3,456,175	724,840	-	4,181,015
Furniture and Fittings	42,809,605	1,599,671	-	44,409,276
<b>Total Value of Depreciable Assets</b>	<u>1,231,286,746</u>	<u>156,142,309</u>	<u>-</u>	<u>1,387,429,056</u>
<b>In the Course of Construction</b>				
Capital Work in Progress	34,377,952	-	(34,377,952)	-
<b>Total Gross Carrying Amount</b>	<u>1,265,664,698</u>	<u>156,142,309</u>	<u>(34,377,952)</u>	<u>1,387,429,056</u>

## 4.2 Depreciation and Impairment

	Balance As at 01.04.2019 Rs.	Charge for the year/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.01.2020 Rs.
<b>At Cost</b>				
Buildings	28,478,387	4,767,155	-	33,245,542
Plant and Machinery	554,571,456	69,869,792	-	624,441,248
Motor Vehicles	201,990	-	-	201,990
Tools & Mould	26,770,722	3,588,268	-	30,358,990
Computer & Electronic Appliance	951,438	943,194	-	1,894,632
Furniture and Fittings	32,620,080	4,812,036	-	37,432,116
<b>Total Depreciation</b>	<u>643,594,073</u>	<u>83,980,445</u>	<u>-</u>	<u>727,574,518</u>

## 4.3 Net Book Values

	2020 Rs.	2019 Rs.
<b>At Cost</b>		
Land	59,475,299	59,475,299
Buildings	98,119,469	96,460,356
Plant and Machinery	469,659,321	392,137,584
Motor Vehicles	-	-
Tools & Mould	23,336,905	26,925,172
Computer & Electronic Appliance	2,286,383	2,504,737
Furniture and Fittings	6,977,160	10,189,525
	<u>659,854,537</u>	<u>587,692,673</u>
<b>In the Course of Construction</b>		
Capital Work in Progress	-	34,377,952
<b>Total Carrying Amount of Property, Plant and Equipment</b>	<u>659,854,537</u>	<u>622,070,625</u>



4.4 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 121,764,357/- (2019 - Rs. 128,684,710/-). Cash payments amounting to Rs.121,764,357/- (2019 - Rs. 128,684,710/-) were made during the year for purchase of Property, Plant and Equipment.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

## 4. PROPERTY, PLANT AND EQUIPMENT (Contd..)

4.5 The useful lives of the assets is estimated as follows.

	2020	2019
Buildings on Freehold Land	30 Years	30 Years
Plant & Machinery	10 Years	10 Years
Motor Vehicles	4 Years	4 Years
Tools & Mould	10 Years	10 Years
Computer & Electronic Appliance	4 Years	4 Years
Furniture and Fittings	5 Years	5 Years
Development Cost	5 Years	5 Years

4.6 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amounts of Rs. 413,659,986/- (2019 - Rs. 389,878,694/-).

## 5. INTANGIBLE ASSETS

## 5.1 Gross Carrying Amounts

	Balance As at 01.04.2019 Rs.	Additions/ Transfers Rs.	Disposals/ Write off Rs.	Balance As at 31.03.2020 Rs.
At Cost				
Computer Software	10,226,627	956,408	-	11,183,035
Development Cost	6,449,440	-	(2,323,870)	4,125,570
	<u>16,676,067</u>	<u>956,408</u>	<u>(2,323,870)</u>	<u>15,308,605</u>

## 5.2 Amortization and Impairment

	Balance As at 01.04.2019 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2020 Rs.
At Cost				
Computer Software	4,389,383	2,204,727	-	6,594,110
Development Cost	-	1,225,570	-	1,225,570
	<u>4,389,383</u>	<u>3,430,297</u>	<u>-</u>	<u>7,819,680</u>

## 5.3 Net Book Values

	2020 Rs.	2019 Rs.
Computer Software	4,588,925	5,837,244
Development Cost	2,900,000	6,449,440
	<u>7,488,925</u>	<u>12,286,684</u>

## 6. INVENTORIES

	2020 Rs.	Restated 2019 Rs.
Raw Materials	223,752,360	233,170,022
Work in Progress	378,967,616	258,547,698
Finished Goods	174,327,589	84,279,625
Consumables and Spares	49,852,671	34,745,374
Goods in Transit	17,477,541	-
	<u>844,377,776</u>	<u>610,742,719</u>



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

## 7. TRADE AND OTHER RECEIVABLES

	Current 2020 Rs.	Non-Current 2020 Rs.	Total 2020 Rs.	Current 2019 Rs.	Non-Current 2019 Rs.	Total 2019 Rs.
Trade Debtors						
- Related Parties (7.1)	782,856,614	-	782,856,614	838,941,627	-	838,941,627
- Other	18,059,619	-	18,059,619	15,463,817	-	15,463,817
Other Debtors						
- Related Parties (7.2)	15,749,219	-	15,749,219	10,389,420	-	10,389,420
- Other	150,526,112	-	150,526,112	138,882,617	-	138,882,617
Loans to company employees	5,899,782	7,294,203	13,193,985	264,007	-	264,007
Prepaid staff cost	-	2,302,082	2,302,082	-	5,538,666	5,538,666
	<u>973,091,346</u>	<u>9,596,285</u>	<u>982,687,631</u>	<u>1,003,941,488</u>	<u>5,538,666</u>	<u>1,009,480,154</u>

## 7.1 Trade Debtors - Related Parties

	Relationship	2020 Rs.	2019 Rs.
Browns & Company PLC	Significant Investor	614,437,486	695,686,384
Klevenberg (Pvt) Limited	Significant Investor	168,419,128	143,255,243
Exide Industries Ltd	Parent Company	-	-
Chloride Batteries S.E. Asia Pte Ltd	Other Related Party	-	-
		<u>782,856,614</u>	<u>838,941,627</u>

## 7.2 Other Debtors - Related Parties

	Relationship	2020 Rs.	2019 Rs.
Browns & Company PLC	Significant Investor	2,385,541	3,277,367
Browns Thermal Engineering (Pvt) Ltd	Other Related Party	13,363,678	7,112,053
		<u>15,749,219</u>	<u>10,389,420</u>

## 8. STATED CAPITAL

	2020		2019	
	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares	6,336,000	63,360,000	6,336,000	63,360,000
	<u>6,336,000</u>	<u>63,360,000</u>	<u>6,336,000</u>	<u>63,360,000</u>

## 9. RESERVES

	2020 Rs.	2019 Rs.
Revenue Reserves	82,799,732	82,799,732
	<u>82,799,732</u>	<u>82,799,732</u>

9.1 At the Beginning of Year  
At the End of the Year

	2020 Rs.	2019 Rs.
At the Beginning of Year	82,799,732	82,799,732
At the End of the Year	<u>82,799,732</u>	<u>82,799,732</u>





## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

## 10. INTEREST BEARING LOANS AND BORROWINGS

	Current 2020 Rs.	Non Current 2020 Rs.	Total 2020 Rs.	Current 2019 Rs.	Non Current 2019 Rs.	Total 2019 Rs.
Bank Loans	855,288,250	68,577,064	923,865,314	469,159,053	86,570,976	555,730,029
Bank Overdrafts	190,573,700	-	190,573,700	230,514,027	-	230,514,027
	<u>1,045,861,950</u>	<u>68,577,064</u>	<u>1,114,439,014</u>	<u>699,673,080</u>	<u>86,570,976</u>	<u>786,244,056</u>

Bank Loans		As At 01.04.2019 Rs.	Loans Obtained Rs.	Repayment Rs.	As At 31.03.2020 Rs.
Term Loan	The Hongkong and Shanghai Banking Corporation Limited	131,738,441	113,486,012	(94,354,922)	150,869,531
Import Loan	The Hongkong and Shanghai Banking Corporation Limited	62,420,019	1,156,644,167	(1,041,477,333)	177,586,853
Import Loan	Deutsche Bank AG	-	8,805,034	-	8,805,034
Import Loan	DFCC Bank PLC	361,571,569	1,226,654,856	(1,001,622,529)	586,603,896
		<u>555,730,029</u>	<u>2,505,590,069</u>	<u>(2,137,454,784)</u>	<u>923,865,314</u>

## Term Loan - Terms &amp; Conditions

## Security

Plant and Machinery

## Repayment terms

Payable within 36 months

## 11. INCOME TAX

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

Income Statement	2020 Rs.	2019 Rs.
<b>Current Income Tax</b>		
Current Income Tax charge (11.1)	20,485,240	67,028,902
Under provision in respect of prior years	2,596,803	-
	<u>23,082,043</u>	<u>67,028,902</u>
<b>Deferred Income Tax</b>		
Deferred Taxation Charge/(Reversal) (11.2)	(2,761,709)	431,797
<b>Income tax expense reported in the Income Statement</b>	<u>20,320,334</u>	<u>67,460,700</u>

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

	2020 Rs.	2019 Rs.
Accounting Profit before Income Tax	51,538,986	242,806,482
Aggregate Disallowable items	244,191,431	129,554,532
Aggregate Allowable items	(215,410,431)	(132,972,077)
<b>Taxable profit</b>	<u>80,319,986</u>	<u>239,388,937</u>

## Income Tax- 28% , 14% &amp; 18%

Income tax expense reported in the income statement	20,485,240	67,028,902
	<u>20,485,240</u>	<u>67,028,902</u>



The tax provision for year of assessment 2019/20 has not considered any impact that may arise from restated financial statement for the year of assessment 2017/18 and 2018/19 as the management has not submitted the revised returns.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

## 11. INCOME TAX (Contd..)

## 11.2 Deferred Tax Assets, Liabilities and Income Tax relates to the followings

	Balance Sheet		Income Statement	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
<b>Deferred Tax Liability</b>				
Deferred tax on accelerated depreciation	91,991,936	92,793,536	(801,600)	4,427,177
Effect of re-estimation of useful lives of fully depreciated	609,174	609,174	-	-
	<u>92,601,110</u>	<u>93,402,710</u>	<u>(801,600)</u>	<u>4,427,177</u>
<b>Deferred Tax Assets</b>				
Defined Benefit Plans	(10,987,890)	(9,104,991)	(1,882,899)	396,997
Warranty Provision	(12,747,306)	(12,670,097)	(77,209)	(4,392,377)
	<u>(23,735,196)</u>	<u>(21,775,088)</u>	<u>(1,960,108)</u>	<u>(3,995,379)</u>
Deferred Income Tax (Reversal)/Charge			<u>(2,761,709)</u>	<u>431,797</u>
Net Deferred Tax Liability	<u>68,865,914</u>	<u>71,627,623</u>		

## 12. RETIREMENT BENEFIT LIABILITY

	2020 Rs.	2019 Rs.
Balance at the Beginning of the Year	32,453,504	33,935,672
Provision made during the year	5,990,470	5,406,805
Gain/(Loss) arising from changes in the assumptions used	6,199,041	(819,779)
Gratuity Paid During the year	(5,400,551)	(6,069,194)
Balance at the End of the Year	<u>39,242,464</u>	<u>32,453,504</u>

## 13. TRADE AND OTHER PAYABLES

	2020 Rs.	2019 Rs.
Trade Creditors - Related Parties (13.1)	302,114,990	41,325,811
Trade Creditors - Other	407,545,203	730,433,151
Other Creditors - Related Parties (13.2)	11,947,156	16,395,919
Other Creditors & Payables	86,002,395	79,245,827
	<u>807,609,745</u>	<u>867,400,707</u>

## 13.1 Trade Creditors - Related Parties

	Relationship	2020 Rs.	2019 Rs.
Exide Industries Ltd	Parent Company	98,907,251	-
Browns & Company PLC	Significant Investor	6,830,540	6,348,226
Klevenberg (Pvt) Ltd	Significant Investor	3,334,665	5,018,280
Browns Thermal Engineering (Pvt) Ltd	Other Related Party	23,002,086	18,837,355
Chloride Metals Ltd	Other Related Party	170,040,449	11,121,950
		<u>302,114,990</u>	<u>41,325,811</u>

## 13.2 Other Creditors - Related Parties

	Relationship	2020 Rs.	2019 Rs.
Exide Industries Ltd	Parent Company	11,947,156	15,706,818
Chloride Batteries S.E. Asia Pte Ltd	Other Related Party	-	689,101
		<u>11,947,156</u>	<u>16,395,919</u>

## 14. PROVISIONS

	2020 Rs.	2019 Rs.
Warranty provision	45,250,346	29,563,285
Opening balance	77,183,118	56,158,475
(+) Additions during the year	(76,907,372)	(40,471,415)
(-) Payments made during the year	<u>45,250,346</u>	<u>45,250,346</u>
Closing balance		





## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

<b>15. OTHER INCOME AND GAINS</b>	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Interest income	118,769	106,782
Sundry income	10,409,628	12,351,394
Sale of Property, Plant & Equipment	-	3,110,000
Creditor write back	10,813,394	-
Fair value adjustment on staff loans	1,319,446	2,214,930
	<u>22,661,237</u>	<u>17,783,106</u>
<b>16. FINANCE COST</b>	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Interest Expense on Overdrafts	17,235,837	19,829,899
Interest Expense on Interest Bearing Loans & Borrowings	86,006,490	62,145,655
	<u>103,242,327</u>	<u>81,975,554</u>
<b>17. PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>	<b>2020</b>	<b>2019</b>
Stated after Charging /(Crediting)	<b>Rs.</b>	<b>Rs.</b>
<b>Included in Cost of Sales</b>		
Employees Benefits	311,018,218	286,555,414
Depreciation	<u>87,410,742</u>	<u>68,679,531</u>
<b>Included in Administrative Expenses</b>		
Employees Benefits including the following	23,471,825	42,053,303
- Defined Contribution Plan Costs - EPF & ETF	7,735,373	4,211,715
Auditor's Fees and Expenses	802,067	729,152
Legal and Professional Fees	<u>2,851,528</u>	<u>1,293,051</u>
<b>18. EARNINGS PER SHARE</b>	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Net Profit / (Loss) Attributable to Ordinary Shareholders	31,218,652	(188,484,161)
	<u>31,218,652</u>	<u>(188,484,161)</u>
	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Number of ordinary shares	6,336,000	6,336,000
	<u>6,336,000</u>	<u>6,336,000</u>
Earnings/(Loss) per share	<u>4.93</u>	<u>(29.75)</u>
<b>19. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT</b>		
<b>Components of Cash and Cash Equivalents</b>	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Favourable Cash and Cash Equivalents balance</b>		
Cash and Bank Balances	17,081,261	300,680
	<u>17,081,261</u>	<u>300,680</u>
<b>Favourable Cash and Cash Equivalent Balances</b>		
Bank Overdraft (Note 10)	(190,573,700)	(230,514,027)
<b>Net Cash and Cash Equivalents For the Purpose of Cash Flow Statement</b>	<u>(173,492,439)</u>	<u>(230,213,347)</u>





## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

## 20. RELATED PARTY DISCLOSURES

Details of significant Related Party disclosures are as follows:

20.1 Transactions with the Parent Entity	Parent Company		Other Related Companies	
	2020	2019	2020	2019
Nature of Transaction	Rs.	Rs.	Rs.	Rs.
Balance as at Beginning of the Year	(15,706,818)	(10,430,052)	807,316,135	719,620,082
Sale of Goods	-	-	4,097,010,717	3,971,175,969
Purchase of Goods and Cost of Services / Machinery	(139,142,717)	(41,205,078)	(699,347,983)	(216,448,726)
Dividends Paid (Net of Taxes)	-	(25,230,744)	-	(14,684,947)
Royalty Fees (Paid and Accrued)	(12,487,478)	(10,732,522)	-	-
Net Payments	56,482,606	71,891,578	(3,609,580,778)	(3,652,346,243)
Balance as at End of the Year	<u>(110,854,407)</u>	<u>(15,706,818)</u>	<u>595,398,092</u>	<u>807,316,135</u>

Related companies include:

Name	Relationship
Exide Industries Ltd	Parent Company
S.F.L Services (Pvt) Ltd	Significant Investor
Brown and Company PLC	Significant Investor
Klevenberg (Pvt) Limited	Significant Investor
Chloride Batteries S E Asia Pte Limited	Other Related Party
Browns Thermal Engineering Pvt Ltd	Other Related Party
Chloride Metals Ltd	Other Related Party

## 20.2 Transactions with Key Management Personnel of the Company or its Parent

The Key Management Personnel of the Company are the members of its Board of Directors and that of its Parent.

a) Key Management Personnel Compensation	2020	2019
	Rs.	Rs.
Short-term Employee Benefits	16,188,382	15,266,811
	<u>16,188,382</u>	<u>15,266,811</u>

## 21. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the outbreak of the Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of measures to curb the COVID-19 outbreak have been taken and continues to be implemented by the Government of Sri Lanka. The Company will continue to pay close attention to the development of COVID-19 outbreak and its related impact on the Company's businesses and financials. As at the date of the financial statements, there is a drop in sales for the financial year ended 31 March 2020 and had an adverse effect on the financial statements as well.

The Government interventions, including the curfew have resulted in a contraction in the revenue. However company mainly trades with related companies, hence the removal of curfew will improve the revenue. Further, as a main local battery manufacturer, the Company has a competitive advantages to cater the local market over other battery importers who are adversely affected due to foreign market lock down and tight import regulation imposed by the Government of Sri Lanka.

The ultimate extent of the impact of the COVID-19 outbreak on the business, financial condition, liquidity, results of operations and prospects will depend on future developments, which are uncertain and cannot be predicted with confidence, including the duration of the outbreak, the short-term and long-term economic impact of the outbreak, the severity of the virus and the actions taken to contain the virus or treat, among others.



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

## 22. COMMITMENTS AND CONTINGENCIES

22.1 The company has received the tax assessments on 04/03/2014 and 04/04/2014 for additional tax liability amounting to Rs. 59.2 Mn and for Income Tax, Value Added Tax. Based on the initial appeal company has received a revised assessment on 15.06.2015 and the liability has reduced to Rs. 28.6 Mn. The company has taken necessary actions to further appeal against this liability and out come of which can not be ascertained as at the reporting date.

22.2 A Case has been filed against the Company with respect of the Public Nuisance and the Case is based on the Public Nuisance caused by the impact to the environment as a result of dumping of wastes of the Company at a remote area in Kalutara.

Case filed against the Company is still pending at the Horana Magistrate Court.

Company at its own cost has now taken steps to rectify the environment impact and subsequent the water of the affected area has been checked and is now clear according to the recent reports. The management is of the view that the outcome of the litigation may not course any adverse financial impact on the company.

		2020
22.3 Letters of Credit Opened with Banks favouring suppliers	USD	653,277
22.4 Customs Guarantee	LKR	10,215,500
22.5 Shipping Guarantee	USD	53,161

## 23. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of Liability	2020 Rs.	2019 Rs.
Immovable Properties - Land & Building at Rathmalana	Mortgaged to DFCC Bank PLC in connection with the bank Loans	157,594,768	155,935,655
- Plant & Machinery	HSBC Bank in connection with the bank Loans	469,659,321	392,137,584
Inventories	Concurrent mortgaged to DFCC Bank PLC, Commercial Bank of Ceylon PLC and HSBC for TR	844,377,776	610,742,719
Trade Debtors	Loan and Overdraft facilities	800,916,233	854,405,444





## 24. RETROSPECTIVE RESTATEMENT OF ERRORS

## Prior Period Errors

The management has identified an error in the prior years reported profitability after moving into a new system on 01 April 2019. The inventory valuation process of the previous system (SAP by Design) used by Company was not providing accurate information. As a result, the company had failed to charge unfavorable variances to income statement amounting to Rs. 295.6 Mn and Rs. 363.8 Mn for the years ended 31st March 2018 and 31st March 2019 respectively. Therefore, the cost of production and cost of sales for the years ended 31st March 2018 and 31st March 2019 were understated by Rs. 295.6 Mn and Rs. 363.8 Mn, respectively. Further, the inventory carrying values as at 31st March 2018 and 31st March 2019 were overstated by Rs. 295.6 Mn and Rs. 659.4 Mn, respectively due to the system error but this has not linked with the inventory sub ledgers. In order to correct the above errors, the financial statements for years ended 31st March 2018 and 2019 were restated.

- A Inventory balances amounting to Rs. 295.6 Mn have been restated in 2018 to correct prior period error.  
B Inventory balances amounting to Rs. 363.8 Mn have been restated in 2019 to correct prior period error.

## Impact to the Statement of Financial Position as at 31 March 2018

Statement of Financial Position		Previously reported Rs. 2018	Restatement Rs. 2018	Restated Amount Rs. 2018
<b>Current Assets</b>				
Inventories	A	992,249,246	(295,608,260)	696,640,986
<b>EQUITY AND LIABILITIES</b>				
Retained Earnings	A	807,676,738	(295,608,260)	512,068,478

## Impact to the Statement of Financial Position as at 31 March 2019

Statement of Financial Position		Previously reported	Restatement		Restated Amount
		Rs. 2019	Rs. 2018	Rs. 2019	Rs. 2019
Current Assets					
Inventories	A & B	1,270,180,922	(295,608,260)	(363,829,943)	610,742,719
EQUITY AND LIABILITIES					
Retained Earnings	A & B	938,670,520	(295,608,260)	(363,829,943)	279,232,317

Statement of Comprehensive Income		Previously reported Rs. 2019	Restatement Rs. 2019	Restated Amount Rs. 2019
Cost of Sales	B	3,065,291,613	363,829,943	3,429,121,556





**ASSOCIATED BATTERY MANUFACTURERS (CEYLON) LIMITED**

**DETAILED INCOME STATEMENT  
YEAR ENDED 31 MARCH 2020**

## DETAILED INCOME STATEMENT

Year ended 31 March 2020

	2020 Rs.	Restated 2019 Rs.
<b>Manufacturing Activity</b>		
Sales	3,710,790,914	3,453,678,182
<b>Less : Cost of Sales</b>		
Direct Material Cost	2,677,665,311	2,383,561,247
Correction in Inventory Value	-	363,829,943
	<u>2,677,665,311</u>	<u>2,747,391,190</u>
Direct Labour	247,477,211	221,141,974
Indirect Wages	63,541,007	65,413,440
Management Staff Cost	49,172,170	32,585,941
Power, Water	173,968,692	153,033,577
Maintenance Plant and Machinery	45,927,978	46,597,406
Welfare	41,081,595	37,876,301
Process Materials, Consumable Stores and Tools	14,674,872	15,019,980
Royalty Expenses	12,487,478	12,000,000
Depreciation & Amortisation	87,410,742	68,679,531
Overhead	28,479,670	29,382,216
	<u>3,441,886,726</u>	<u>3,429,121,556</u>
<b>Gross Profit</b>	<u>268,904,188</u>	<u>24,556,626</u>
<b>Less : Administrative Expenses</b>		
Management Staff Cost	23,471,825	42,053,303
Postage and Telephone	1,836,253	2,175,110
Printing and Stationery	4,048,396	3,147,093
Professional Charges	1,340,000	1,043,776
Bank Charges	9,839,274	5,372,712
Legal Fees	2,851,528	1,293,051
Expenses on Foreign Visitors	-	627,297
Other Overhead	47,342,701	7,476,193
Interest Expense on IFRS Adjustment	893,284	2,214,930
CSR Expenses	-	129,500
SAP Subscription	5,229,666	6,474,555
Development cost	2,323,870	-
Overseas Travelling Expenses	2,197,012	2,792,267
Rent Expense	3,265,680	3,220,800
Slag Clearing Expense	4,195,096	3,367,052
Provision for Unreconciled VAT Input Tax	27,949,526	-
	<u>136,784,112</u>	<u>81,387,639</u>
<b>Profit/(Loss) from Operating Activities</b>	<u>132,120,076</u>	<u>(56,831,013)</u>

