

ROUTE MOBILIE LANKA (PVT) LTD

**NO.47, ALEXANDRA PLACE,
COLOMBO - 07**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021.**

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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

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.

A circular blue stamp with the text "THANGAVELU & CO." at the top, "Colombo" in the center, and "Chartered Accountants" at the bottom, flanked by two stars. A handwritten signature in blue ink is written across the stamp and extends to the left and right.

THANGAVELU & CO.
CHARTERED ACCOUNTANTS

Date: 29.04.2021

Colombo.

THANGAVELU & CO.,
Chartered Accountants

Partner -
T Perinbaraaj FCA,ACMA,MBA (Sydney)

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ROUTE MOBILE LANKA (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Route Mobile Lanka (Private) Limited, which comprise the statement of financial position as at March 31, 2021, 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 March 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. These financial statement do not comprise other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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.



Thangavelu & Co.
Chartered Accountants

ROUTE MOBILE LANKA (PVT) LTD
NO. 47, ALEXANDRA PLACE, COLOMBO - 07.

STATEMENT OF FINANCIAL POSITION
31ST MARCH 2021

| | Note | 2021 Rs. | 2020 Rs. |
|-------------------------------------|------|-------------------------|-----------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Property, Plant & Equipment | 1 | 42,018 | 60,692 |
| | | <u>42,018</u> | <u>60,692</u> |
| Current Assets | | | |
| Refundable Deposit | 2 | 96,444 | 96,444 |
| Receivables | 3 | 529,967 | 161,994 |
| Cash & Cash Equivalents | 4 | 1,638,225 | 189,600 |
| | | <u>2,264,636</u> | <u>448,038</u> |
| TOTAL ASSETS | | <u>2,306,654</u> | <u>508,730</u> |
| EQUITY & LIABILITIES | | | |
| Equity | | | |
| Share Capital | | 100,000 | 100,000 |
| Retained Earnings | | (1,838,318) | (2,664,653) |
| | | <u>(1,738,318)</u> | <u>(2,564,653)</u> |
| Non Current Liabilities | | | |
| Loan | | 3,485,294 | 2,807,832 |
| | | <u>3,485,294</u> | <u>2,807,832</u> |
| Current Liabilities | | | |
| Trade and Other Creditors | 5 | 374,573 | 100 |
| Accrued | 6 | 185,105 | 265,450 |
| | | <u>559,678</u> | <u>265,550</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>2,306,654</u> | <u>508,730</u> |

These Financial Statement are in compliance with the requirements of the companies Act 07 of 2007

.....
Financial Controller

The Board of Directors is responsible for the preparation and presentations of these Financial Statements.

Signed for and on behalf of the Board of Directors

SD
.....
Director

.....
Director



Thangavelu & Co.
Chartered Accountants

ROUTE MOBILE LANKA (PVT) LTD
NO. 47, ALEXANDRA PLACE, COLOMBO - 07.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2021

| | Note | 2021 Rs. | 2020 Rs. |
|--|------|------------------|--------------------|
| Net Revenue | 7 | 1,961,894 | 8,747 |
| Other Income | 8 | 14,543 | - |
| | | <u>1,976,437</u> | <u>8,747</u> |
| <u>Less: Operating Expenses</u> | | | |
| Administration Expenses | 9 | 720,287 | 923,558 |
| Finance Cost | 10 | 39,410 | 750 |
| Other Expenses | 11 | 390,406 | 143,759 |
| Total Expenses | | <u>1,150,103</u> | <u>1,068,067</u> |
| Net Profit/ (Loss) Before Taxation | | <u>826,334</u> | <u>(1,059,319)</u> |
| Taxation | | - | - |
| Net Profit/ (Loss) after Taxation | | <u>826,334</u> | <u>(1,059,319)</u> |



Thangavelu & Co.
Chartered Accountants

ROUTE MOBILE LANKA (PVT) LTD
NO. 47, ALEXANDRA PLACE, COLOMBO - 07.

STATEMENT OF CHANGES IN EQUITY
31ST MARCH 2021

| | Share of Capital | Retained Earnings | Total |
|--|---------------------|----------------------|--------------------|
| Opening Balance as at 01st April 2018 | - | - | - |
| Share Issued During The Year | 100,000 | - | 100,000 |
| Net Profit / (Loss) for Year of Assessment | - | (1,605,333) | (1,605,333) |
| Closing Balance as at 31st March 2019 | <u>100,000</u> | <u>(1,605,333)</u> | <u>(1,505,333)</u> |
| Opening Balance as at 01st April 2019 | 100,000 | (1,605,333) | (1,505,333) |
| Net Profit / (Loss) for Year of Assessment | - | (1,059,319) | (1,059,319) |
| Closing Balance as at 31st March 2020 | <u>100,000</u> | <u>(2,664,653)</u> | <u>(2,564,653)</u> |
| Opening Balance as at 01st April 2020 | 100,000 | (2,664,653) | (2,564,653) |
| Net Profit / (Loss) for Year of Assessment | - | 826,334 | 826,334 |
| Closing Balance as at 31st March 2021 | <u>100,000</u> | <u>(1,838,318)</u> | <u>(1,738,318)</u> |



Thangavelu & Co.
Chartered Accountant

ROUTE MOBILE LANKA (PVT) LTD
NO. 47, ALEXANDRA PLACE, COLOMBO - 07.

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31ST MARCH 2021

| | 2021 Rs | 2020 Rs |
|--|------------------|--------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit /(Loss) as per Accounts | 826,334 | (1,059,319) |
| Adjustment for | | |
| Depreciation on Fixed Assets | 18,675 | 18,675 |
| Operating Profit before working capital changes | <u>845,009</u> | <u>(1,040,645)</u> |
| Working capital Changes | | |
| (Increase)/Decrease in Refundable Deposit | - | 148,000 |
| (Increase)/Decrease in Other Receivables | (367,974) | (61,994) |
| Increase / (Decrease) in Accrued Expenses | (80,345) | 130,728 |
| Increase / (Decrease) in Trade & Other Creditors | 374,473 | - |
| Cash generated from Operations | <u>(73,846)</u> | <u>216,735</u> |
| Net cash generated /(used) from Operating Activities | <u>771,163</u> | <u>(823,910)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Long Term Loan | 677,461 | 914,160 |
| Net cash generated /(used) from Investing Activities | <u>677,461</u> | <u>914,160</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net cash generated /(used) from Financing Activities | <u>-</u> | <u>-</u> |
| Net Increase/ (Decrease) in cash & cash equivalent for the year | 1,448,625 | 90,250 |
| Cash & Cash equivalents at the beginning of the year | 189,600 | 99,350 |
| Cash & Cash equivalents at the end of the year | <u>1,638,225</u> | <u>189,600</u> |
| Note - A | | |
| Cash & Cash Equivalents | 1,638,225 | 189,600 |
| Cash at NDB Bank | <u>1,638,225</u> | <u>189,600</u> |



ROUTE MOBLIE LANKA (PRIVATE) LIMITED
NO. 47, ALEXANDRA PLACE, COLOMBO – 07.

**SIGNIFICANT ACCOUNTING POLICIES STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

01. CORPORATE INFORMATION

1.1 General

Route Mobile Lanka (Pvt) Ltd is Company Incorporate and domiciled in Sri Lanka. The Registered office of the Company is located at No. 47, Alexandra Place, Colombo – 07.

1.2 Principal activities

During the year, the principal activities of the company are Cloud communication Provider to enterprises & mobile network operators.

02. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. General Policies

2.1.1. Basis of Preparation

The Statement of Financial Position, Statement of Comprehensive Income, Changes in Equity and Cash Flows, together with accounting policies and notes (“Financial Statements”) of the Company as at 31st March 2021 and for the year then ended comply in all material respects with the applicable Sri Lanka Accounting Standards.

These financial Statements presented in Sri Lanka Rupees have been prepared on a historical cost basis.

2.1.2 Changes in Accounting Policies

The accounting policies and notes (the “financial statements”) have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka and the requirement of the Company’s act No.07 of 2007.

2.1.3 Use of estimates and Judgments

The preparation of financial statements in conformity with SLFRS/LKAS, require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

2.1.5 Going Concern

The directors have made an assessment of the company’s and its liability to continue as going concern and they do not intend either to liquidate or to cease trading.



**SIGNIFICANT ACCOUNTING POLICIES STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

2.2. Valuation of Assets and Their Measurement Bases

2.2.1 Trade and other Receivables

Trade receivables are stated at the amounts they are estimated to realize.

2.2.2 Cash and Equivalents

Cash and Cash equivalents are defined as cash in hand, demand deposit and short term highly liquid investments, readily convertible to know amounts of cash and subjects to insignificant risk of changes in value. For the purpose of cash flow statement, cash & cash equivalents consist of cash in hand and deposits in Bank net of outstanding bank overdrafts.

2.2.3 Property, Plant & Equipments

2.3 Impairment of assets

The carrying values of the company's assets other than inventories are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the Income Statement.

2.5 Liabilities and Provisions

2.5.1 Provisions

A Provision is recognized in the Balance Sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation

2.6 Income Statements

2.6.1 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 the company and the revenue and associated costs 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 recognizing of revenue.

2.6.2 Expenditure Recognition

(a) Expenses are recognized in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in state of efficiency has been charged to income in arriving at the profit for the Accounting period for the year.

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



ROUTE MOBLIE LANKA (PRIVATE) LIMITED
NO. 47, ALEXANDRA PLACE, COLOMBO - 07.

**SIGNIFICANT ACCOUNTING POLICIES STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

2.6.3 Income tax expense

Income tax on the profit for the year comprises current Income tax is recognized directly from current year taxable profit.

2.6.4 Cash flow statement

The Cash Flow Statements has been prepared using the "Indirect method". Interest paid are classified as operating cash flows, interest and dividend received are classified as investing cash flows while dividend paid are classified as financing cash flows for the purpose of presenting a Cash Flow Statement.



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Chartered Accountants

ROUTE MOBILE LANKA (PVT) LTD
NO. 47, ALEXANDRA PLACE, COLOMBO - 07.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

| Note | 2021 Rs. | 2020 Rs. |
|---|------------------|----------------|
| 1 Property, Plant & Equipment | | |
| Computer | | |
| Cost | 91,500 | 91,500 |
| Balance as at 01/04/2020 | - | - |
| Additions During The Year | <u>91,500</u> | <u>91,500</u> |
| Total Asset Cost | | |
| Depreciation | | |
| Balance as at 01/04/2020 | 30,808 | 12,133 |
| During The Year Depreciation | <u>18,675</u> | <u>18,675</u> |
| Accumulated Depreciation | <u>49,482</u> | <u>30,808</u> |
| W.D.V. | <u>42,018</u> | <u>60,692</u> |
| 2 Refundable Deposites | | |
| Security Deposits | <u>96,444</u> | <u>96,444</u> |
| 3 Receivables | | |
| Loans and Advances from the Related Party | 100,000 | 100,000 |
| Other Loan & Advances | 94,500 | - |
| Sundry Debtors | 106,741 | 12,034 |
| Intercompany Debtors | 178,766 | - |
| VAT Receivables | <u>49,960</u> | <u>49,960</u> |
| | <u>529,967</u> | <u>161,994</u> |
| 4 Cash & Cash Equivalents | | |
| NDB A/C No. 101000688615 | 1,638,225 | 189,600 |
| | <u>1,638,225</u> | <u>189,600</u> |
| 5 Trade & Other Creditors | | |
| Trade Creditor | 229,834 | - |
| Due to Intercompany | 97,390 | - |
| Other Payables | <u>47,350</u> | <u>100</u> |
| | <u>374,573</u> | <u>100</u> |



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ROUTE MOBILE LANKA (PVT) LTD
NO. 47, ALEXANDRA PLACE, COLOMBO - 07.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

| Note | 2021 Rs. | 2020 Rs. |
|------------------------------------|------------------|----------------|
| 6 Accrued Expenses | | |
| WHT on Rent | 146,664 | 146,664 |
| Audit Fees | 20,000 | 15,000 |
| Tax Consultancy | 12,500 | 9,500 |
| Provision of Purchase | 5,941 | 94,286 |
| | <u>185,105</u> | <u>265,450</u> |
| 7 Revenue | | |
| Product Sales | 2,281,801 | 101,000 |
| Test Product Sales | 1,256,523 | 30,000 |
| Product Sales | (322,541) | (27,966) |
| | <u>3,215,783</u> | <u>103,034</u> |
| 7.1 Cost of Revenue | | |
| Purchase Domestic | 1,222,641 | 94,286 |
| Purchase from Intercompany | 31,249 | - |
| | <u>1,253,889</u> | <u>94,286</u> |
| Net Revenue | <u>1,961,894</u> | <u>8,747</u> |
| 8 Other Income | | |
| Foreign Exchange Gain | 14,543 | - |
| | <u>14,543</u> | <u>-</u> |
| 9 Administrative Expenses | | |
| Audit Fees | 20,000 | 15,000 |
| Rent | 579,312 | 636,444 |
| Tax Counsultancy Charges | 12,500 | 9,500 |
| Professional Charges | 89,800 | 150,018 |
| Local & Foreign Travelling | - | 84,421 |
| Tax Counsultancy Charges - 2018/19 | - | 9,500 |
| Depreciation | 18,675 | 18,675 |
| | <u>720,287</u> | <u>923,558</u> |



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ROUTE MOBILE LANKA (PVT) LTD
NO. 47, ALEXANDRA PLACE, COLOMBO - 07.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

| Note | 2021 Rs. | 2020 Rs. |
|-------------------|----------------|----------------|
| 10 Finance Cost | 39,410 | 750 |
| Bank Charges | <u>39,410</u> | <u>750</u> |
| 11 Other Expenses | 390,406 | 143,759 |
| Exchange Loss | <u>390,406</u> | <u>143,759</u> |



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ROUTE MOBILE LANKA (PVT) LTD
NO. 47, ALEXANDRA PLACE, COLOMBO - 07.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

| Note | 2021 | 2020 |
|-------------------|----------------|----------------|
| | Rs. | Rs. |
| 10 Finance Cost | | |
| Bank Charges | 39,410 | 750 |
| | <u>39,410</u> | <u>750</u> |
| 11 Other Expenses | | |
| Exchange Loss | 390,406 | 143,759 |
| | <u>390,406</u> | <u>143,759</u> |



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Chartered Accountant

ROUTE MOBILE LANKA (PVT) LTD
NO. 47, ALEXANDRA PLACE, COLOMBO - 07.

BUSINESS INCOME COMPUTATION

YEAR OF ASSESMENT 2020/21

TIN : 101244369

Rs.

| | | |
|---|------------------|------------------|
| Net Profit/(Loss) as per Accounts | | 826,334 |
| Add : Disallowable Expenses | | |
| Depreciation | 18,675 | |
| Secretaries Charges | 89,800 | |
| Exchange Loss | 390,406 | 498,881 |
| | | <u>1,325,215</u> |
| Less : Allowable Expenses | | |
| Capital Allowance | Note - A | <u>18,300</u> |
| Business Income | | 1,306,915 |
| Less : B/F Loss Claimed during the year | | <u>1,306,915</u> |
| Assessable Income | | <u>-</u> |
| Tax Loss | | |
| Loss B/F from 2019/20 | (2,009,866) | |
| Add : During the Year Loss | 1,306,915 | |
| Tax Loss C/F 2021/22 | <u>(702,951)</u> | |

Note-A

Capital Allowance

| | Year of Purchase | Cost | Rate | Claimed upto 31.03.2020 | Claimed During the Year | Balance as at 31.03.2021 | |
|--------------|------------------|---------|---------------|-------------------------|-------------------------|--------------------------|---------------|
| Computer | 3rd Year | 2018/19 | 91,500 | 20% | 36,600 | 18,300 | 54,900 |
| Total | | | <u>91,500</u> | | <u>36,600</u> | <u>18,300</u> | <u>54,900</u> |

