

**ROUTE MOBILE LANKA  
(PRIVATE) LIMITED**

**NO: 47, ALEXANDRA PLACE,  
COLOMBO – 07.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022.**

**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, 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 March 31, 2022, 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.



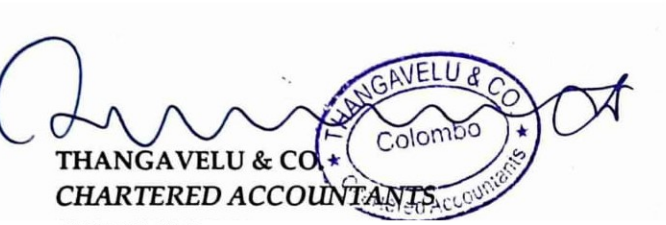
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "THANGAVELU & CO" at the top, "Colombo" in the center, and "Chartered Accountants" at the bottom. There are two small stars on either side of the word "Colombo".

**THANGAVELU & CO**  
**CHARTERED ACCOUNTANTS**

**COLOMBO.**

**DATE: 10.05.2022.**

**Thangavelu & Co.**  
Chartered Accountants

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST MARCH 2022**

Assets	Note	2022 Rs.	2021 Rs.
<b>Non Current Assets</b>			
Property, Plant & Equipment	1	109,295	42,018
		<u>109,295</u>	<u>42,018</u>
<b>Current Assets</b>			
Refundable Deposit	2	72,000	96,444
Trade & Other Receivables	3	797,061	529,967
Cash & Cash Equivalentents	4	2,716,620	1,638,225
		<u>3,585,680</u>	<u>2,264,636</u>
<b>Total Assets</b>		<u><b>3,694,975</b></u>	<u><b>2,306,654</b></u>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital		100,000	100,000
Retained Earnings		(2,600,808)	(1,838,318)
		<u>(2,500,808)</u>	<u>(1,738,318)</u>
<b>Non Current Liabilities</b>			
Long Term Borrowings-Route Mobile UK limited		5,003,594	3,485,294
		<u>5,003,594</u>	<u>3,485,294</u>
<b>Current Liabilities</b>			
Trade and Other Creditors	5	1,155,387	380,514
Income Tax Payable		11,801	-
Accrued Expenses	6	25,000	179,164
		<u>1,192,188</u>	<u>559,678</u>
<b>Total Equity &amp; Liabilities</b>		<u><b>3,694,975</b></u>	<u><b>2,306,654</b></u>

These Financial Statement are in compliance with the requirements of the companies Act No.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

.....  
  
Director

.....  
  
Director



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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

	Note	2022 Rs.	2021 Rs.
Net Revenue	7	2,183,446	1,961,894
Other Income	8	229,601	14,543
		<u>2,413,047</u>	<u>1,976,437</u>
<b><u>Less: Operating Expenses</u></b>			
Administration Expenses	9	1,536,434	720,287
Finance Cost	10	36,550	39,410
Other Expenses	11	1,590,751	390,406
<b>Total Expenses</b>		<u>3,163,735</u>	<u>1,150,103</u>
<b>Net Profit/ (Loss) Before Taxation</b>		<u>(750,688)</u>	<u>826,334</u>
Taxation		11,801	-
<b>Net Profit/ (Loss) after Taxation</b>		<u>(762,489)</u>	<u>826,334</u>



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

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31ST MARCH 2022**

	Share of Capital	Retained Earnings	Total
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>
Opening Balance as at 01st April 2021	100,000	(1,838,318)	(1,738,318)
Net Profit / (Loss) for Year of Assessment	-	(762,489)	(762,489)
Closing Balance as at 31st March 2022	<u>100,000</u>	<u>(2,600,808)</u>	<u>(2,500,808)</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 2022**

	2022	2021
	Rs	Rs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit /(Loss) as per Accounts	(750,688)	826,334
<b>Adjustment for</b>		
Depreciation on Fixed Assets	42,223	18,675
Taxation	-	-
<b>Operating Profit before working capital changes</b>	<b>(708,465)</b>	<b>845,009</b>
<b>Working capital Changes</b>		
(Increase)/Decrease in Refundable Deposit	24,444	-
(Increase)/Decrease in Other Receivables	(267,093)	(367,974)
Increase / (Decrease) in Accrued Expenses	(154,164)	8,000
Increase / (Decrease) in Trade & Other Creditors	774,873	380,414
<b>Cash generated from Operations</b>	<b>378,059</b>	<b>20,441</b>
<b>Net cash generated /(used) from Operating Activities</b>	<b>(330,406)</b>	<b>865,449</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant & Equipment Addition	(109,500)	-
Long Term Loan	1,518,301	677,461
<b>Net cash generated /(used) from Investing Activities</b>	<b>1,408,801</b>	<b>677,461</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Stated Capital	-	-
<b>Net cash generated /(used) from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase/ (Decrease) in cash &amp; cash equivalent for the year</b>	<b>1,078,395</b>	<b>1,542,911</b>
Cash & Cash equivalents at the beginning of the year	1,638,225	95,314
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>2,716,620</b>	<b>1,638,225</b>

**Note - A**

**Cash & Cash Equivalents**

Cash at NDB Bank

2,716,620	1,638,225
<b>2,716,620</b>	<b>1,638,225</b>



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

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**SIGNIFICANT ACCOUNTING POLICIES STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**01. CORPORATE INFORMATION**

**1.1 General**

Route Mobile Lanka (Private) Limited is a Company incorporated 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 activity of the company are Cloud Communication Provider to enterprises & Mobile network operators. The Business Activity Code is 631190.

**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 2022 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 Companies 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.

**2.1.4 Going Concern**

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

**2.2. Valuation of Assets and Their Measurement Bases**

**2.2 Trade and other Receivables**

Trade receivables are stated at the amounts they are estimated to realize. Provision has been made for bad debts.





ROUTE MOBILE LANKA (PRIVATE) LIMITED  
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**SIGNIFICANT ACCOUNTING POLICIES STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**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.

**2.4 Depreciation**

The provision for depreciation is calculated by using a Straight line method on the cost or valuation of all property, Plant Equipment other than freehold land, in order to write off such amounts over the following estimated useful Lives. The Principal annual rates used are:

Office & Other Equipment	25%
Computer Equipment	20%

**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.



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

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**SIGNIFICANT ACCOUNTING POLICIES STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**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.

**2.6.3 Income tax expense**

Income tax on the profit for the year comprises current Income tax is recognized directly in equity, in which case it is recognized in equity.

**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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022**

Note	2022 Rs.	2021 Rs.
<b>1 Property, Plant &amp; Equipment</b>		
<u>Computer</u>		
Cost		
Opening Balance	91,500	91,500
Additions During The Year	-	-
Total Cost of Asset	<u>91,500</u>	<u>91,500</u>
Depreciation		
Opening Balance	49,482	30,808
During The Year Depreciation	18,675	18,675
Accumulated Depreciation	<u>68,157</u>	<u>49,482</u>
W.D.V. of Computer	<u>23,343</u>	<u>42,018</u>
<u>Office Equipment</u>		
Cost		
Opening Balance	-	-
Additions During the Year	109,500	-
Total Cost of Asset	<u>109,500</u>	<u>-</u>
Depreciation		
Opening Balance	-	-
During the Year Depreciation	23,548	-
Accumulated Depreciation	<u>23,548</u>	<u>-</u>
W.D.V. of Office Equipment	<u>85,952</u>	<u>-</u>
<b>Total W.D.V. as at 31.03.2022</b>	<u>109,295</u>	<u>42,018</u>



ROUTE MOBILE LANKA (PVT) LTD  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022**

Note	2022 Rs.	2021 Rs.
<b>2 Refundable Deposites</b>		
Security Deposits	72,000	96,444
	<u>72,000</u>	<u>96,444</u>
<b>3 Receivables</b>		
Loans and Advances from the Related Party	100,000	100,000
Other Loan & Advances	-	94,500
Sundry Debtors	286,256	106,741
Intercompany Debtors	360,845	178,766
VAT Receivables	49,960	49,960
	<u>797,061</u>	<u>529,967</u>
<b>4 Cash &amp; Cash Equivalents</b>		
NDB A/C No. 101000688615	2,716,620	1,638,225
	<u>2,716,620</u>	<u>1,638,225</u>
<b>5 Trade &amp; Other Payables</b>		
Trade Creditor	416,046	229,834
Due to Intercompany	274,611	97,390
Other Payables	8,600	47,350
Provision of Payables	456,130	5,941
	<u>1,155,387</u>	<u>380,514</u>
<b>6 Accrued Expenses</b>		
WHT on Rent	-	146,664
Audit Fees	25,000	20,000
Tax Consultancy	-	12,500
	<u>25,000</u>	<u>179,164</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022

Note	2022 Rs.	2021 Rs.
<b>7 Revenue</b>		
Product Sales	4,712,525	2,281,801
Test Product Sales	1,225,800	1,256,523
	<u>5,938,325</u>	<u>3,538,324</u>
<b>7.1 Cost of Sales</b>		
Purchase Domestic	3,490,410	1,222,641
Product Sales	222,965	322,541
Purchase from Intercompany	41,504	31,249
	<u>3,754,879</u>	<u>1,576,431</u>
<b>Net Revenue</b>	<u>2,183,446</u>	<u>1,961,894</u>
<b>8 Other Income</b>		
Write Back - RMLPL	155,288	-
Foreign Exchange Gain	74,313	14,543
	<u>229,601</u>	<u>14,543</u>
<b>9 Administrative Expenses</b>		
Audit Fees	25,000	20,000
Rent	289,656	579,312
Counsultancy Charges	1,129,650	12,500
Professional Charges	-	89,800
Local & Foreign Travelling	16,683	-
Postage and Stationery	11,748	-
Utility expenses	2,000	-
Written Off - RMLPL	19,474	-
Depreciation	42,223	18,675
	<u>1,536,434</u>	<u>720,287</u>
<b>10 Finance Cost</b>		
Bank Charges	36,550	39,410
	<u>36,550</u>	<u>39,410</u>
<b>11 Other Expenses</b>		
Exchange Loss	1,590,751	390,406
	<u>1,590,751</u>	<u>390,406</u>



**Thangavelu & Co.**  
Chartered Accountant

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

**BUSINESS INCOME COMPUTATION**  
YEAR OF ASSESMENT 2021/22  
TIN : 101244369

			Rs.
Net Profit/(Loss) as per Accounts			(750,688)
<b>Adjustments</b>			
Exchange Loss		1,590,751	
Exchange Gain		<u>(74,313)</u>	1,516,438
<b>Add : Disallowable Expenses</b>			
Depreciation		42,223	
Written Off - RMLPL		<u>19,474</u>	61,697
			<u>827,447</u>
<b>Less : Allowable Expenses</b>			
Capital Allowance	Note - A		<u>40,200</u>
<b>Business Income</b>			787,247
Less : B/F Loss Claimed during the year			<u>702,951</u>
<b>Assessable Income</b>			<u>84,296</u>
<b>Tax on taxable Income</b>	84,296	14%	11,801
Tax Credits			-
<b>Tax Payable for the Y/A 2021/22</b>			<u>11,801</u>
<b>Tax Loss Summary</b>			
Loss B/F from 2020/21	(702,951)		
Add : During the year profit	<u>702,951</u>		
<b>Tax Loss C/F 2022/23</b>			<u>-</u>

**Note-A**  
**Capital Allowance**

	Year of Purchase	Cost	Rate	Claimed upto 31.03.2021	Claimed During the Year	Balance as at 31.03.2022	
Computer	4th Year	2018/19	91,500	20%	54,900	18,300	73,200
Office Equipment	1st Year	2021/22	109,500	20%	-	21,900	21,900
<b>Total</b>			<u>201,000</u>		<u>54,900</u>	<u>40,200</u>	<u>95,100</u>

