

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2024

OF

**NINA LANKA CONSTRUCTION TECHNOLOGIES
(PRIVATE) LIMITED**

REGISTERED ADDRESS;

**NO. 116/10,
ROSMED PLACE,
COLOMBO 7**

DINITWAY PARTNERS

Chartered Accountants
Colombo.



Dinitway Partners

CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF NINA LANKA CONSTRUCTION TECHNOLOGIES
(PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nina Lanka Construction Technologies (Private) Limited, which comprise the statement of financial position as at March 31, 2024, and the statements of comprehensive income, changes in equity and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and of its financial performance and 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 ethical requirements of the code of ethics issued by CA Sri Lanka (code of ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities "SLFRS for SMEs", and for such internal controls as the management determines are 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, the 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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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 website at:
<http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of 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.


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DINITWAY PARTNERS
CHARTERED ACCOUNTANTS
Colombo.



4th May 2024.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31st March 2024

	Notes	2024 LKR	2023 LKR
Revenue	3	96,735,344	81,135,166
Cost of Sales	4	(65,771,740)	(44,688,830)
Gross Income		30,963,604	36,446,336
Other Income - Exchange Gain		2,369,706	-
Administrative Expenses	5	(13,094,407)	(5,376,250)
Results from Operating Activities		20,238,904	31,070,087
Finance Expenses	6	(283,800)	(3,658,308)
Profit / (Loss) before Tax	7	19,955,104	27,411,779
Tax Expense	8	(5,986,531)	(5,234,010)
Profit / (Loss) after Tax		13,968,573	22,177,769



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Audit Report on Page 1 and 2

Figures in brackets indicate deductions.


Notes to the Financial Statements from Pages 7 to 13 form an integral part of these Financial Statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 LKR	2023 LKR
ASSETS			
Total Non-Current Assets		-	-
Current Assets			
Inventories	9	5,044,195	11,133,718
Trade and Other Receivables	10	141,766,037	67,047,419
Other Current Assets	11	-	301,457
Cash and Cash Equivalents	12	9,183,266	13,211,393
Total Current Assets		155,993,498	91,693,987
TOTAL ASSETS		155,993,498	91,693,987
EQUITY AND LIABILITIES			
Equity			
Stated Capital	13	15,850,000	15,850,000
Retained Earnings		30,843,844	16,875,271
Total Equity		46,693,844	32,725,271
Current Liabilities			
Trade and Other Payables	14	98,079,113	53,734,706
Income Tax Payable	8	11,220,542	5,234,010
Total Current Liabilities		109,299,655	58,968,716
TOTAL EQUITY AND LIABILITIES		155,993,498	91,693,987

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 the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board of Directors of the company,



Director





Director

27-Apr-24

Colombo,

Audit Report on Page 1 and 2

Figures in brackets indicate deductions.

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STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March 2024

	Stated Capital LKR	Retained Earnings LKR	Total Equity LKR
Balance as at 31 March 2023	15,850,000	16,875,271	32,725,271
Profit / (Loss) for the period	-	13,968,573	13,968,573
Balance as at 31st March 2024	15,850,000	30,843,844	46,693,844



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Audit Report on Page 1 and 2

Figures in brackets indicate deductions.

Notes to the Financial Statements from Pages 7 to 13 form an integral part of these Financial Statements.

STATEMENTS OF CASH FLOWS

For the Year Ended 31st March 2024

	Notes	2024 LKR	2023 LKR
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit / (Loss) before Taxation		19,955,104	27,411,779
<i>Adjustments For:</i>			
Bad debt provision		9,500,000	3,200,000
Operating Profit before Working Capital Changes		29,455,104	30,611,779
(Increase) / Decrease in Inventories		6,089,523	(3,934,774)
(Increase) / Decrease in Trade and other Receivables		(84,218,618)	(38,150,804)
(Increase) / Decrease in Other current assets		301,457	-
Increase / (Decrease) in Trade and Other Payables		44,344,408	21,251,651
Cash from Operating Activities		(4,028,127)	9,777,851
Tax Paid		-	
Net Cash from Operating Activities		(4,028,127)	9,777,851
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Investment in Fixed Deposit		(90,000)	(90,000)
Net Cash used in Investing Activities		(90,000)	(90,000)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Net Cash from (used in) Financing Activities		-	-
Net Increase / (Decrease) in Cash & Cash Equivalents		(4,118,127)	9,687,851
Cash & Cash Equivalents at the beginning of the year		13,211,393	3,433,542
Cash & Cash Equivalents at the end of the year		9,093,266	13,121,393
Analysis of Cash & Cash Equivalents			
Cash & Bank Balances	12		
Cash at Bank		9,084,261	13,112,388
Cash in hand		9,005	9,005
		9,093,266	13,121,393



Audit Report on Page 1 and 2

Figures in brackets indicate deductions.

Notes to the Financial Statements from Pages 7 to 13 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2024

1. CORPORATE INFORMATION**1.1. General**

Nina Lanka Construction Technologies (Private) Limited ("the Company") is in the business of waterproofing services. It offers end-to-end solutions in waterproofing. The Company has its major presence across the construction spectrum - including residential, commercial, industrial, and institutional and Infrastructure segments. The registered office of the Company and the principal place of business is located at No 116/10, Rosmead Place, Colombo 07. The Company was incorporated on February 20, 2017. The Company is subsidiary of Nina Waterproofing Systems Pvt Ltd.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1. Basis of Preparation**

These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. These financial statements are prepared on the historical cost basis in accordance with Generally Accepted Accounting Principles and the Sri Lanka Accounting Standards for SMEs. No adjustment is made for inflationary factors affecting these accounts.

The said financial statements are presented in Sri Lankan Rupees which is the company's functional currency.

Comparative Information

Where necessary, comparative figures have been adjusted to confirm with the changes in the presentation in the current year.

2.2. Going Concern

When preparing the financial statements the Management has assessed the ability of the Company to continue as a going concern. The Management has its reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company does not foresee a need for liquidation or cessation of operations, taking into account all available information about future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

2.3. Taxation**Current Taxes**

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed accordance with the provisions of the Inland Revenue Act No. 24 of 2017.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2024

2.4. Financial Instruments*(i) Financial Assets**(a) Trade and Other Receivable*

Trade and other receivable are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

*(ii) Financial Liabilities**(a) Trade and Other Payables*

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

(b) Liabilities and Provisions

All known liabilities as at the balance sheet date have been included in the financial statements. A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.5 Foreign Currency Translation**2.5.1 Functional and Presentation Currency**

Transaction and balances included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Sri Lanka Rupees (LKR), which is the company's presentation currency.

2.5.2 Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Translation differences related to changes in amortized cost are recognized in the statement of comprehensive income.



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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2024

2.6 Property, Plant and Equipment*(a) Cost*

Property, Plant and Equipment are stated cost less accumulated depreciation and any accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

(b) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of Property, Plant and Equipment. All other expenditure is recognized in the Income Statement as an expense as incurred.

(c) De-recognition

An item of Property, Plant and Equipment is derecognized upon disposal when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of asset is calculated as the difference between the net disposal proceeds and the carrying amount.

(d) Capital Work-in-Progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital Work-in-progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

2.7 Inventories

Inventories are stated at the lower cost and net realizable value. Raw materials, consumables, work in progress and spares are stated at cost.

The cost includes purchase price of raw materials, consumables and spares determined using the weighted average cost method and actual cost.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

2.8 Income Statement*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 recognizing of revenue.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2024

2.9 Expenditure Recognition

- (a) 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 the 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 income in arriving at the profit/(loss) for the year.

2.10 Events occurring after the Reporting Period

The directors monitor events closely and where necessary adjustments or disclosures are made in the current Financial Statements in respect of material post balance sheet events as appropriate.

2.11 Contingent Liabilities

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

2.12 Statement of Cash Flow

The cash flow statement has been prepared by using Indirect Method in accordance with the SLFRS for SME Section 7 on Cash flow statements.

The Indirect Method discloses the profit or loss adjusted by the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.



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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2024

	2024	2023
	LKR	LKR
3 REVENUE		
Construction Income	96,735,344	81,135,166
	96,735,344	81,135,166
4 COST OF SALES		
Opening Stock/WIP	11,133,718	7,198,943
Add : Purchases	45,258,130	20,825,371
Direct Overheads	4.1 14,424,087	27,798,233
	70,815,935	55,822,547
Less: Closing Stock/WIP	(5,044,195)	(11,133,718)
	65,771,740	44,688,830
4.1 DIRECT OVERHEADS		
Site Staff Salaries & Wages	10,803,587	11,306,984
Site Expenses	3,620,500	16,491,249
	14,424,087	27,798,233
5 ADMINISTRATIVE EXPENSES		
Travelling and Conveyance Expense	362,000	116,931
Rent Expense	462,000	363,000
Audit Fees	40,000	42,000
Tax Computation and return filing fees	15,000	8,000
Site Office expense	1,917,563	1,139,435
Legal & Professional Fees	797,843	506,884
Bad Debts written off	9,500,000	3,200,000
	13,094,407	5,376,250
6 FINANCE EXPENSES		
Bank Charges	283,800	249,600
Exchange Loss	-	3,408,708
	283,800	3,658,308
7 PROFIT / (LOSS) BEFORE TAX		
Profit before tax is stated as per charging all the expenses / (reversal) including followings;		
Auditors' Remuneration - Audit Services	40,000	42,000
- Non Audit Services	15,000	8,000
Bad Debt written off	9,500,000	3,200,000
Staff Cost	10,803,587	11,306,984



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NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

		2024 LKR	2023 LKR
8 INCOME TAX EXPENSE			
Profit / (Loss) before Tax		19,955,104	27,411,779
Disallowable Expenses		-	3,200,000
Adjusted Business Profit/ (Loss)		19,955,104	30,611,779
Tax Losses Utilized		-	(6,820,822)
Taxable Income		19,955,104	23,790,956
Total Tax Liability		5,986,531	5,234,010
8.1 'Taxation			
Current Income Tax Expense		5,986,531	5,234,010
Total Tax Expense / (Reversal) on Profit or Loss		5,986,531	5,234,010
8.2 Provision for Taxation			
Balance B/F		5,234,010	-
Provision for the year		5,986,531	5,234,010
Payments during the year		-	-
Balance at the end of the year		11,220,542	5,234,010
8.3 Tax Losses			
Tax Losses brought forward		-	6,820,822
Tax Losses claimed		-	(6,820,822)
Balance C/F		-	-
9 INVENTORIES			
Raw Materials		5,044,195	11,133,718
		5,044,195	11,133,718
10 TRADE AND OTHER RECEIVABLES			
Trade Debtors	88,358,395		
Less : Provision for Bad Debt	<u>16,748,259</u>		
Net Trade Debtors		71,610,136	24,220,466
Retention Receivable		3,147,893	3,147,893
Debtors Uncertified Work		67,008,008	39,679,060
		141,766,037	67,047,419
11 OTHER CURRENT ASSETS			
Prepaid Expenses		-	301,457
		-	301,457
12 CASH AND CASH EQUIVALENTS			
Cash at Bank		9,084,261	13,112,388
Deposit Others		90,000	90,000
Petty Cash		9,005	9,005
		9,183,266	13,211,393



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NOTE TO THE FINANCIAL STATEMENTS

As at 31 March 2024

	2024 LKR	2023 LKR
13 STATED CAPITAL		
Issued and Fully Paid		
1,585,000 Equity Shares @ Rs.10/-	15,850,000	15,850,000
14 TRADE AND OTHER PAYABLES		
Trade Creditors	97,911,113	53,684,706
Tax computation and return filing fees	15,000	8,000
Audit Fees Payable	153,000	42,000
	98,079,113	53,734,706

15 CAPITAL COMMITMENTS / CONTINGENCIES

No known commitments / contingent liabilities exist as at the Statement of Financial Position date.

16 EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the Statement of Financial Position date that require adjustments or disclosures in the Financial statements .



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NINA LANKA CONSTRUCTION TECHNOLOGIES (PRIVATE) LIMITED
TIN :101 008 282 - 0000
YEAR OF ASSESSMENT 2023/2024
CALCULATION OF ASSESSABLE INCOME FROM BUSINESS

	Note	Rs.
Net Profits / (Loss) as per Accounts		19,955,104
Less: Income from Other Sources & Exempt Income		-
Add Disallowable Expenses -		
Less Allowable Expenses		-
Adjusted Business profit for the Year		<u>19,955,104</u>
Business Losses B/F		-
Assessable Income from business		<u>19,955,104</u>
Deductions		-
Taxable Income		<u><u>19,955,104</u></u>
TAXABLE INCOME		
Tax on Taxable Income	19,955,104 @ 30%	5,986,531
Gross Income Tax Liability		<u>5,986,531</u>
Tax Credits		
Self Assessment payments		-
Balance tax payable		<u><u>5,986,531</u></u>



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