

SRI LANKA RUBBER MANUFACTURING & EXPORT CORPORATION LIMITED

INCOME STATEMENT

Year ended 31 March 2002

	Note	2002 Rs.	2001 Rs.
Revenue	3	4,470,350	16,924,934
Cost of Sales		<u>(20,430,598)</u>	<u>(23,548,452)</u>
Gross Profit/(Loss)		(15,960,248)	(6,623,518)
Other Operating Income	4	22,710,704	3,468,371
Distribution Cost		(2,057)	(203,841)
Administration Expenses		<u>(13,839,144)</u>	<u>(20,238,096)</u>
Profit/(Loss) from Operating Activities	5	(7,090,745)	(23,597,084)
Finance Cost	6	<u>(5,305,848)</u>	<u>(9,170,843)</u>
Profit/(Loss) from Ordinary Activities before Taxation		(12,396,593)	(32,767,927)
Income Tax Expenses	7	<u>-</u>	<u>-</u>
Profit/(Loss) for the Year		<u><u>(12,396,593)</u></u>	<u><u>(32,767,927)</u></u>
Basic Earnings per Share			

SRI LANKA RUBBER MANUFACTURING & EXPORT CORPORATION LIMITED

BALANCE SHEET
As At 31 March 2002

	Note	2002 Rs.	2001 Rs.
ASSETS			
Non Current Assets			
Property Plant & Equipment	9	34,220,610	35,960,101
Long Term Investments	10	52,000,000	52,000,000
Small Holder Development Program	11	17,116,395	17,116,395
		<u>103,337,005</u>	<u>105,076,496</u>
Current Assets			
Inventories	12	3,105,934	2,685,584
Trade & Other Receivables	13	471,715	3,014,394
Short Term Deposits	14	305,635	-
Amount Due From Related Parties	15	754,407,494	779,658,319
Cash & Bank Balances		303,844	105,659
		<u>758,594,622</u>	<u>785,463,956</u>
Total Assets		<u><u>861,931,627</u></u>	<u><u>890,540,452</u></u>
EQUITY AND LIABILITIES			
Capital & Reserves			
Share Capital	16	78,000,070	78,000,070
Reserves	17	4,103,295	4,103,295
Accumulated Profits/(losses)		(57,621,524)	(45,224,931)
Coir Fibre Rubberised Project	18		
Pre-Operational Expenses	18		
Total Equity		<u>24,481,841</u>	<u>36,878,434</u>
Non-Current Liabilities & Deferred Income			
Interest Bearing Loans & Borrowings	19	788,340,000	734,437,250
Retiring Benefit Obligations	20	4,820,157	4,360,556
Deferred Income	21	-	729,125
		<u>793,160,157</u>	<u>739,526,931</u>
Current Liabilities			
Trade & Other Payables	22	8,820,463	13,399,047
Income Tax Liabilities		251,278	251,278
Interest Bearing Loans & Borrowings	19	35,217,888	100,484,762
		<u>44,289,629</u>	<u>114,135,087</u>
Total Equity & Liabilities		<u><u>861,931,627</u></u>	<u><u>890,540,452</u></u>

SRI LANKA RUBBER MANUFACTURING & EXPORT CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY
Year Ended 31 March 2002

	Share Capital Rs	Other Reserves Rs	Accumulated Profit/(Loss) Rs	Total Rs
COMPANY				
Balance as at 31 March 2000	78,000,070	4,103,295	(12,457,004)	69,646,361
Net Profit/(Loss) for the Year	-	-	(32,767,927)	(32,767,927)
Balance as at 31 March 2001	78,000,070	4,103,295	(45,224,931)	36,878,434
Net Profit/(Loss) for the Year	-	-	(12,396,593)	(12,396,593)
Balance as at 31 March 2002	<u>78,000,070</u>	<u>4,103,295</u>	<u>(57,621,524)</u>	<u>24,481,841</u>

SRI LANKA RUBBER MANUFACTURING & EXPORT CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2002

1 CORPORATE INFORMATION

3 REVENUE

3.1 Summary

	2002 Rs	2001 Rs
Sales - Rubber	4,470,350	17,023,065
Less; Sales taxes - Defence Levy		(98,131)
Small Holders Development Program		-
Revenue	<u>4,470,350</u>	<u>16,924,934</u>

4 OTHER OPERATING INCOME

Interest Income	289,855	-
Profit on Disposal on Property Plant & Equipment	1,514,595	3,217,068
GST Written off received		-
Sundry Income	177,130	145,696
Amortisation of Grants	20,729,124	105,607
	<u>22,710,704</u>	<u>3,468,371</u>

5 PROFIT /(LOSS) FROM OPERATING ACTIVITIES

Stated after charging/crediting		
Write down of Deferred Expenses		
Write down of Preliminary Expenses		
Bad Debts		
Advertising Costs	104,614	198,620
Director' Emoluments	209,800	243,900
Auditors Remuneration (Fees & Expenses)	95,000	95,000
Depreciation	2,898,862	5,405,644
Defined Benefit Plan Cost - Gratuity	632,300	685,431
Defined Contribution Plan Costs (EPF, ETF & Penalty)	2,536,800	2,462,389
Other staff costs	5,062,765	4,919,611
Legal Fees		-
Exchange Loss		-
	<u>10,540,136</u>	<u>14,410,605</u>

6 FINANCE COST

Over Draft Interest	769,125	2,633,266
Term Loan Interest	3,516,284	3,483,716
Lease Interest	1,020,439	3,053,861
	<u>5,305,848</u>	<u>9,170,843</u>

7 INCOME TAX EXPENSE

7.1 Reconciliation between current tax income/(expense) and the product of accounting profit

Accounting profit/(loss) before tax	(32,767,927)
Aggregate disallowed items	14,751,745
Aggregate allowable expenses	(44,769,434)
	<u>(62,785,616)</u>
Tax losses brought forward	(71,147,739)
Tax losses carried forward	<u>(133,933,355)</u>
Effective tax rate	35%

8 BASIC EARNING PER SHARE

8.1 The calculation of basic earning per share is based on the after tax profit for the year divided by the weighted average number of ordinary shares outstanding during the period.

8.2 The following reflects the income and share data used in the basic earnings per share computation.

	2002 Rs	2001 Rs
Amount used as numerator:		
Net loss applicable to ordinary share holders for basic earnings per share	<u>(12,396,593)</u>	<u>(32,767,927)</u>
Amount used as Denominator		
Weighted average number of ordinary shares in issue applicable to basic earnings per share	<u>7,800,007</u>	<u>7,800,007</u>

9 PROPERTY PLANT & EQUIPMENT (Company)

Gross Carrying Amount	Balance as at 01.04.2001	Additions Rs	Disposals/ Transfers Rs	Balance as at 31.03.2002 Rs
At Cost	Rs	Rs	Rs	Rs
Freehold Land	5,230,188			5,230,188
Buildings on Freehold Land	29,209,053			29,209,053
Plant & Machinery	22,499,822	1,159,371		23,659,193
Equipment	8,211,344			8,211,344
Furniture & Fittings	734,727			734,727
Motor Vehicles	8,884,421		758,765	8,125,656
	<u>74,769,555</u>	<u>1,159,371</u>	<u>758,765</u>	<u>75,170,161</u>
Assets Acquired on Finance Leases				
Motor Vehicles	16,322,128			16,322,128
Machinery				
Total Value of Depreciable Assets	<u>91,091,683</u>	<u>1,159,371</u>	<u>758,765</u>	<u>91,492,289</u>
In the Course of Construction	Balance as at 01.04.2001 Rs	Additions Rs	Disposals/ Transfers Rs	Balance as at 31.03.2002 Rs
Capital work in Progress	-			-
Total Gross Carrying Amount	<u>91,091,683</u>	<u>1,159,371</u>	<u>758,765</u>	<u>91,492,289</u>
Depreciation	Balance as at 01.04.2001 Rs	Charge for the year/ Transfers Rs	Disposals/ Transfers Rs	Balance as at 31.03.2002 Rs
At Cost	Rs	Rs	Rs	Rs
Buildings	10,739,727	788,653		11,528,380
Plant & Machinery	16,827,521	775,349		17,602,870
Equipment	6,887,548	252,340		7,139,888
Furniture & Fittings	567,012	56,740		623,752
Motor Vehicles	9,044,703	1,025,780	758,765	9,311,718
	<u>44,066,511</u>	<u>2,898,862</u>	<u>758,765</u>	<u>46,206,608</u>
Assets Acquired on Finance Leases				
Motor Vehicles	11,065,071			11,065,071
Machinery	-			-
	<u>11,065,071</u>	<u>-</u>	<u>-</u>	<u>11,065,071</u>
Total Depreciation	<u>55,131,582</u>			<u>57,271,679</u>
WDV	35,960,101			34,220,610
Capital Work in Progress	-			-
Total WDV	<u>35,960,101</u>			<u>34,220,610</u>

10 INVESTMENTS IN SUBSIDIARY (Company)**a Non-Quoted**

	Holding %		Cost 2002	Directors Valuation 2002	Cost 2001	Directors Valuation 2001
	2002	2001	Rs	Rs	Rs	Rs
Lanka Products Export Corporation (Pvt) Ltd	100	100	52,000,000	52,000,000	52,000,000	52,000,000
			<u>52,000,000</u>	<u>52,000,000</u>	<u>52,000,000</u>	<u>52,000,000</u>

11 SMALL HOLDERS DEVELOPMENT PROGRAM

	2002 Rs	2001 Rs
Sales		-
Cost of Sales		-
Gross Loss	-	-
Less:		
General Administration Expenses		-
Selling Expenses		-
Net Loss for the Year	-	-
Net Loss at the Beginning of the Year	(17,116,395)	(21,395,494)
Write off to P&L	-	4,279,099
Net Loss for the Year	-	-
Net Loss at the End of the Year	<u>(17,116,395)</u>	<u>(17,116,395)</u>

12 INVENTORIES

	2002 Rs	2001 Rs
Raw materials	308,231	5,870
Work in Progress		-
Sundry Stocks	159,000	1,987,713
Finished Goods	1,961,183	344,873
Consumable spares	677,520	314,812
Rubber nursery		32,316
	<u>3,105,934</u>	<u>2,685,584</u>

13 TRADE & OTHER RECEIVABLES

	2002 Rs	2001 Rs
GST Recoverable		-
Trade Debtors	1,150,966	1,669,958
Other Debtors	641,101	1,389,597
Advances & Prepayments	(1,338,746)	203,617
Deposits	597,874	542,975
Loans to Company Officers (13.1)	250,234	37,962
	<u>1,301,430</u>	<u>3,844,109</u>
Less: Provision for Doubtful Debts	(829,715)	(829,715)
	<u>471,715</u>	<u>3,014,394</u>
Loans to Company Officers		
Summary		
Balance as at beginning of the year		86,131
Loans granted during the year		45,575
Less: Repayments		(93,744)
Balance as at the end of the Year	-	<u>37,962</u>

14 SHORT TERM INVESTMENTS

Short Term Deposits	305,635	-
	<u>305,635</u>	<u>-</u>

15 AMOUNTS DUE FROM RELATED PARTIES

Lanka Product Export Corporation (Pvt) Ltd	754,407,494	779,658,319
	<u>754,407,494</u>	<u>779,658,319</u>

16 SHARE CAPITAL

	Par Value Rs	Number 31.03.2002	Number 31.03.2001
16.1 Authorised			
Number of shares - Ordinary shares	10/-	15,000,000	15,000,000
		<u>15,000,000</u>	<u>15,000,000</u>
		31.03.2002	31.03.2001
Nominal Value - Ordinary Shares	10/-	150,000,000	150,000,000
		<u>150,000,000</u>	<u>150,000,000</u>

	Par Value Rs	Number 31.03.2002	Number 31.03.2001
16.2 Issued and Fully Paid			
Number of shares - Ordinary shares	10/-	7,800,007	7,800,007
		<u>7,800,007</u>	<u>7,800,007</u>
Nominal Value - Ordinary Shares	10/-	78,000,070	78,000,070
		<u>78,000,070</u>	<u>78,000,070</u>

17 RESERVES

	2002 Rs	2001 Rs
Reserves for any contingency on account of State Rubber Manufacturing Corporation	1,590,098	1,590,098
Factory Development Reserves - Proceeds in excess of book value on sale of Hokandara	567,173	567,173
Tax liabilities over provided in 1981/82 accounts of the State Rubber Manufacturing Corporation	1,946,024	1,946,024
	<u>4,103,295</u>	<u>4,103,295</u>

19.A INTEREST BEARING LOANS AND BORROWINGS

	2002 Repayable within 1 year Rs	2002 Repayable after 1 year Rs	2002 Total Rs	2001 Repayable within 1 year Rs	2001 Repayable after 1 year Rs	2001 Total Rs
19.A.1 Long term loans		788,340,000	788,340,000	61,032,750	727,307,250	788,340,000
19.A.2 Term Loan	15,710,000		15,710,000	8,580,000	7,130,000	15,710,000
19.A.3 Finance Leases			-	9,478,670	-	9,478,670
19.A.4 Bank Overdraft	19,507,888		19,507,888	21,393,342	-	21,393,342
	<u>35,217,888</u>	<u>788,340,000</u>	<u>823,557,888</u>	<u>100,484,762</u>	<u>734,437,250</u>	<u>834,922,012</u>

19.A.1 Long term loans

	Repayable within 1 year Rs	Repayable after 1 year Rs	Total as at 2002 Rs	Total as at 2001 Rs
Treasury Loan		788,340,000	788,340,000	788,340,000
	-	<u>788,340,000</u>	<u>788,340,000</u>	<u>788,340,000</u>

19.A.2 Term Loan

	15,710,000		15,710,000	15,710,000
	<u>15,710,000</u>	-	<u>15,710,000</u>	<u>15,710,000</u>

19.A.3 Finance Leases

Gross liability				10,023,405
Finance Charges				(544,735)
Net liability	-	-	-	<u>9,478,670</u>

19.A.4 Bank Overdraft

	19,507,888		19,507,888	21,393,342
	<u>19,507,888</u>	-	<u>19,507,888</u>	<u>21,393,342</u>

20 RETIRING BENEFIT OBLIGATIONS

	2002 Rs	2001 Rs
At the beginning of the year	4,360,556	4,038,711
Add: Charge for the year	632,300	685,431
Less: Payments during the year	(172,699)	(363,586)
At the end of the year	<u>4,820,157</u>	<u>4,360,556</u>

21 DEFERRED INCOME

	2002	2001
	Rs	Rs
21.1 Deferred Grants & subsidies		
At the beginning of the year	729,125	834,731
Add: Grants received during the year	-	-
Less: Amortisation for the year	(729,125)	(105,606)
At the end of the year	<u>-</u>	<u>729,125</u>

22 TRADE & OTHER PAYABLES

Trade Creditors	4,978,597	3,123,963
Sundry Creditors including Accrued Expenses	3,841,866	10,275,084
	<u>8,820,463</u>	<u>13,399,047</u>