



CEYLON SHIPPING CORPORATION LTD

The National Carrier of Sri Lanka

***(Converted to a Company under the Conversion of Public Corporation or Government Owned
Business Undertakings into Public Companies Act. No.23 of 1987 from 01.06.1992)***



***ANNUAL REPORT
2022 / 2023***

Ceylon Shipping Corporation Ltd.
Annual Report & Accounts of
2022/2023

Contents	Pages
Contents Page	1
Vision and Mission Statement	2
Letter of Transmittal	3
Board of Directors	4 - 6
Management Team	7 - 9
Chairman's Review	10 - 12
Directors Report	13 - 15
Financial Highlights	16
Sustainability Report	17 - 21
Report of the Audit Committee	22 - 27
Acknowledgement and Thanks to the Staff	28
Independent Auditor's Report	29 - 50
Statement of comprehensive Income	51
Statement of Financial Position	52
Statement of Changes in Equity	53
Statement of Cash Flow	54
Notes to the Financial Statements	55 - 88
Administrative Expenses	89

Ceylon Shipping Corporation Ltd.
Annual Report & Accounts of
2022/2023

Vision & Mission Statement

Vision

To develop a dependable and effective National Fleet of Ships for the country.

Mission

To cater to the sea transportation needs of the export, import and local coastal trades of Sri Lanka that needs assistance from the National Carrier.

Ceylon Shipping Corporation Ltd.
Annual Report & Accounts of
2022/2023

Letter of Transmittal

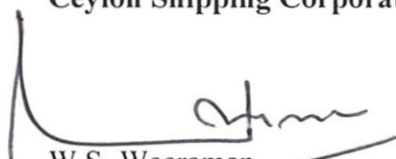
Hon. Minister Ports, Shipping and Aviation
Ministry of Ports, Shipping and Aviation
No.19, Chaithya Road
Colombo 01.

Dear Sir,

In accordance with the provisions of the conversion of Public Corporations and Government Owned Business Undertakings into Public Companies, Act. No. 23 of 1987 and the Companies Act. No. 07 of 2007, I am pleased to present the Annual Report and Financial Statements, in respect of the activities of the company for the period of 01.04.2022 to 31.03.2023.

Yours faithfully,

Ceylon Shipping Corporation Ltd


W.S. Weeraman
CHAIRMAN

Ceylon Shipping Corporation Ltd
No. 27, MICH Building
Sir Razik Fareed Mawatha
Colombo 01.

Date: 13.08.2023

Ceylon Shipping Corporation Ltd.
Annual Report & Accounts of
2022/2023

Board of Directors

From - 01.04.2022 to 31.03.2023

W.S. Weeraman Esq.
Chairman
From 20/12/2019 to date

Dimuth Jagodaarachchi Esq.
Executive Director
From 08/10/2020 to 24/05/2022

Ms. M.G.N Premathilaka
Director/ Treasury Representative
From 02/03/2022 to date

Ms. Shehara Jayawardana
Director
From 07/10/2020 to 24/05/2022

Bhatiya Udumalagla Esq.
Director
From 08/10/2020 to 24/05/2022

Ranga Goonawardena Esq.
Director
From 07/10/2020 to 24/05/2022

Mevan Peris Esq.
Director
From 08/10/2020 to 26/05/2022

G.U.K Algewattage Esq.
Director
From 30/06/2022 to date

U.A. Mendis Esq.
Director
From 30/06/2022 to 12/08/2022

H.D. Dewendra Esq.
Director
From 26/08/2022 to date

S.E.W. Gunasekara Esq.
Director
From 26/08/2022 to date

Company Secretary

Ms. Malkanthi Gunasekara
Associate Member of the Institute of Chartered Corporate Secretaries (ACCS)
Postgraduate Diploma in Labour Relation and Human Resource Management
University of Colombo
From 14.11.2017 to 06/12/2022

T.M.V.L. Muthugama Esq.
Attorney-at-Law & Notary Public
Commissioner for Oaths
LLB (Colombo)
From 06/12/2022 to date

Secretary to the Board

Ms. Malkanthi Gunasekara
Associate Member of the Institute of Chartered Corporate Secretaries (ACCS)
Postgraduate Diploma in Labor Relation and Human Resource Management
University of Colombo
From 18/02/2022 to 31/10/2022

Ms. S.A.S.K. Jayasekara
B.Sc., Attorney-At Law (SL)
M.Sc. in International Business & Commercial Law – University of West London
From 31/10/2022 to date

Bankers

People's Bank Corporate Banking Division
Bank of Ceylon
Commercial Bank of Ceylon PLC

Auditors

The Auditor General, The National Audit Office, No.306/72, Polduwa Road, Battaramulla.

Board Meetings

Seven (07) Board Meetings were held during the year under review.

Registered Office

Ceylon Shipping Corporation Ltd.
No. 27, MICH Building,
Sir Razik Fareed Mawatha,
Colombo 01,
Sri Lanka.
Tel : +94 11 2328772/3
Fax : +94 11 2449486
E-mail : cscl@cscl.lk
Web : www.cscl.lk

Ceylon Shipping Corporation Ltd.
Annual Report & Accounts of
2022/2023

Management Team

Actg. General Manager from 21/10/2022

P.S.K Watawala Esq.

B.Sc Public Management (Special) – Hons USJP

Master of Public Management SLIDA

Master of Business (Accounting) University of Kelaniya

Sri Lanka Accountants' Service, LICA

Deputy General Manager (Commercial) &

Actg. General Manager from 01/08/2021 to 20/10/2022

Ms. Y. S. Wettasinghe

B.Sc. (General)

MSc in Shipping Management –WMU, (Malmo Sweden)

MILT – UK

Deputy General Manager (Legal & Insurance / Human Resources)

Ms. S.A.S.K. Jayasckara

B.Sc., Attorney-At Law (SL)

M.Sc. in International Business & Commercial Law – University of West London

Assistant General Manager (Finance)

G.M. Vikum Pradeepa Esq.

B.Com. (Special) Hons., LICA

M.Sc. in Shipping Management WMU (Malmo-Sweden)

Designated Person Ashore From 21/10/2021 to 31/10/2022

Capt. H.M.A.U.B. Herath

Certificate of Competency as Master (COC Class 1 – Unlimited)

MICS – Membership of Institute of Chartered Ship Brokers (UK) 2007

Advanced Diploma in Maritime Science, CINEC Campus

DPA Course – DNV Maritime Academy India 2021

Designated Person Ashore From 08/11/2022

Capt. G. Kasthuriarachchi

Class I Master mariner (UK)

Higher National Diploma in Nautical Science (UK)

Technical Superintendent From 01/03/2021 to 21/06/2022

Charaka Wickramanayake Esq.

Chartered Engineer - UK

Chartered Marine Engineer - UK

Incorporate Engineer- SL

Certificate of Competency as Chief Engineer Officer (COC Class 1 – Unlimited)

Member of the Institute of Marine Engineers Science & Technology (IMAREST) UK

Associate Fellow Nautical Institute – UK -AFNI

Associate Member of the Royal Institution of Naval Architects - AMRINA

Member of the Institution of Incorporated Engineers,-SL- MIIESL

Technical Superintendent From 20/06/2022

Tony Peris Esq.

Class I Certificate of Competency (Motor Ship) UK

Marine Engineer Officer

Internal Auditor (Retired on 31/12/2022)

Y. Ponnampereuma Esq.

LICA, FMAAT,

Post Graduate Diploma in Shipping Management (OSLO)

Actg. Internal Auditor From 01/01/2023

Ms. W.A.I.D Perera

Bachelor of Commerce (Special) Degree (UOK)

Master of Business Administration (UOK)

CMA Passed Finalist

Certified Business Accountant (CA Sri Lanka)

Assistant General Manager (Chartering & Agency)

I. Danthanarayane Esq.

B.Sc. Public Management (Special) Hons.

M.Sc. in Maritime Affairs, WMU (Malmo- Sweden)

MILT - UK, LICA

Assistant General Manager (Documentation)

K.L.M. Maduraja Esq.

B.Com (Special) Hons.

MSc in Shipping Management –WMU, (Malmo Sweden)

Assistant General Manager (Liner, Logistics, NVOCC)

N.P. Kalpage Esq.

B.A. (Special)

MSc in Shipping Management –WMU, (Malmo Sweden)

Actg. Manager (Human Resources) (From 09/04/2018 to 31/12/2022)

Ms. Malkanthi Gunasekara

Associate Member of Institute of Chartered Corporate Secretaries (ACCS)

Postgraduate Diploma in Labor Relations and Human Resource Management

University of Colombo

Head of Administration

H.R.L.P.P. Gunaratne Esq.

Diploma in Management – Open University

Diploma in Business Information

Ceylon Shipping Corporation Ltd.
Annual Report & Accounts of
2022/2023

Chairman's Review

On Behalf of the Board of Directors of Ceylon Shipping Corporation Ltd (CSC), I have great pleasure in presenting the Annual Report and Audited Financial Statements of the Company for the year ending 31st March 2023.

Dry Bulk Shipping Market

The Baltic Dry Index has been observed to be constantly fluctuating throughout the year. The time charter rates for dry bulk carriers had increased during Financial Year 2022/23 that the charter hire rates enjoyed by our two vessels had significantly elevated.

Deployment of Ships

Normally, CSC owned two vessels; Mv. Ceylon Breeze and Mv. Ceylon Princess are employed in the International Charter Market under a commercial management company during the South West Monsoon period from April to mid-September. These vessels are deployed in coal transportation from RBCT, South Africa to Lakvijaya power plant, Puttalam during the non- monsoon period contributing to national electricity generation.

But, both CSC owned vessels were deployed in the Global Charter Market during this financial year under a commercial management agreement with a prospective Charterer selected through international competitive Bidding process. The decision was taken due to the high return gained from same which was higher than the expected freight income from the vessels and the prevailed uncertainty of the coal tender floating at that time.

Accordingly, Mv. Ceylon Breeze was chartered out at an average charter hire rate of USD 21,221.37/- per day while Mv. Ceylon Princess was chartered out at an average charter hire rate of USD 23,266.67/- per day.

Government Sector Imports

CSC has the authority in the transportation of Government sector cargo under the Public Finance Circular No. 415. Accordingly, CSC handled containerized cargo, vehicles, break-bulk cargo and heavy- lift cargo on third party ships on space charter and voyage charter basis from all over the world.

Also, new business opportunities of importing 500 Jeep and 500 Buses for government institutions were confirmed to be handled through CSC by the 3rd quarter of this financial year.

Logistic Services

Even though clearing and forwarding business is very competitive, CSC has achieved a considerable progress in this sector. CSC offers these services for Government sector as well as for private sector customers. With the advent of Multi modal transport concept, managing the supply chain efficiently has created competition among the consigners and consignees that CSC is working with a skilled, proficient and registered service providers' network for different logistic services such as packing, labelling, stuffing, lashing, customs clearing and delivery, fumigation, etc.

Financial Performance

CSC had a satisfactory growth with an operational profit of Rs. 3900.68Mn. Compared to Financial Year 2021/22 by 77.24%. However, finance expenses (i.e Peoples Bank Loan interest and Exchange Loss of the Loan) were recorded as Rs. 4381.84Mn. in 2022/23 which is (36.64%) decrease against the previous financial year.

During the year 2022/23, CSC was able to achieve a total revenue of Rs. 6649.45Mn. It is approximately (15.58%) decrease when compared with the preceding year 2021/22. In addition, Direct Operational Expenses were reported as Rs. 3253.91Mn. in 2022/23 and Rs. 5706.57Mn. in 2021/22. So, Direct operational expenses have also decreased comparatively by approximately (43%) during this year.

Revenue in CSC vessel operation

It has been noted an approximate 79.19% revenue increase in 2022/23 in the deployment of CSC owned two vessels in the international charter market compared to last Financial Year.

The income generated from agency commission and address commission from coal operations on third party vessels and lightering operation had been decreased by (7.27%) in 2022/23.

The income from the owned vessel operations was recorded as 80.25% out of the total income of the company during this year.

Revenue in Non-Vessel Operating Common Carrier (NVOCC) Service

The income generated from Non-Vessel Operating Common Carrier (NVOCC) operations had decreased from Rs.1802.12Mn. to Rs.878.67Mn. in Financial Year 2022/23. Handling of special cargo shipments have made the revenue increase during the Financial Year 2021/22 Therefore, a (51%) decrease in revenue is noted comparatively during this year.

Due to world political un-rest, foreign exchange scarcity, strict fiscal policies, economic shrinkage, etc, Government sector institutions have not ordered their usual imports shipments and also most of the institutes have not fixed their special cargo shipments in the year 2022/23. However, Break Bulk (B/B) volumes were increased considerably due to the fact that CSC managed to carry Crane shipment and 349 Buses on Ro/Ro vessels in the last 04 months of the year 2022/23.

Revenue in Logistics Services

The revenue generated from Logistics operations had increased to Rs. 70.53Mn. in FY 2022/23 and it is a 288% increase against previous financial year. It is a result of the new business opportunities received to CSC from strenuous marketing campaigns launched during the 3rd quarter of the year and onwards. As a result, CSC was able to handle the logistics operations of these new consignments -uniforms, paper, rice, spare -parts, coated paperboard and plates, energy meters, personal baggage shipments, etc.

Currency depreciation

The depreciation of Sri Lankan Rupee against the United States Dollar has affected the company adversely during past years. It was increased by 12.38% in 2022/23. This has directly affected to increase the exchange loss of vessel loans amounting to Rs. 2,811.89Mn. which is a mandatory provision in the annual accounts in accordance with the Sri Lanka Accounting Standards.

However, CSC was able to settle capital component Rs. 2092Mn. And interest instalment Rs. 736Mn. of the loan which was borrowed to build the two vessels as at 31.03.2023.

Further, it was recorded a loss of Rs. (624.91)Mn. in 2022/23 due to the reduced Exchange loss and duly Loan interest payment that CSC was able to reduce the loss amount in the current year compared to the previous year which was a loss (loss after Tax) of Rs. (4567.79)Mn.

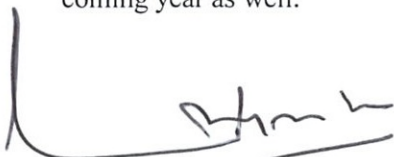
Employees

The total number of (permanent cadre) employees of the company was 105 as at 31.03.2023 and expenses for Salaries and wages were Rs. 142.58Mn. in 2022/23. Administration expenses were Rs. 246.34Mn. in 2022/23 and shows approximately (6.66%) decrease when compared to 2021/22.

It has been identified the necessity of having well experienced/ trained and qualified staff to perform the operational functions of CSC in a professional manner and compatible to technological developments in the shipping field.

As such, CSC allocates Rs. 2.00Mn. for staff training purposes annually and Rs. 0.21Mn. was spent in 2022/23 to train 12 nos. staff in various shipping and finance programmes.

In conclusion, I take this opportunity to appreciate and thank the Board of Directors, our Line Ministry, all our customers, business partners, agents and all other stakeholders for their continued support and cooperation extended to CSCL and looking forward to their enhanced partnerships and patronage in the coming year as well.



W.S. Weeraman
CHAIRMAN

Colombo
13th August 2023

Ceylon Shipping Corporation Ltd
Annual Report & Accounts of
2022/2023

Annual Report of the Board of Directors
On the Affairs of the Company

The Directors of CSC are pleased to submit their report together with the Audited Accounts of the Company, for the year ended 31st March 2023, to be presented at its Annual General Meeting.

Review of the Year

Company's affairs during the current Financial Year and up to the date of this report including the challenges ahead are described in the Chairman's Review. This report together with the audited Financial Statement reflects the state of the affairs of the Company.

Principal Activities / Core Businesses

CSC is the National Sea Carrier operating under Sri Lankan flag. The main activities of the Company are the businesses of sea transportation of cargo, door- delivery and pickup of cargo, international moving of household goods and personal effects of Sri Lankan diplomatic staffs, Customs' House agency activities, shipping agency services, ship owners, managers and operators, charterers etc.

CSC is engaged in transport of all the types of cargo such as in the form of containerized, break-bulk, bulk (coal), vehicles, project cargo, heavy cargo etc.

In addition to the above, CSC contributes to the national seafarer training system providing onboard training facilities to seafarers.

Financial Statements

The Financial Statements in this Annual Report prepared in compliance with the requirements of Section 151 of the Companies Act No. 07 of 2007.

Independent Auditor's Report

The Auditor's Report on the Financial Statements of this report.

Related Party Transaction

Related parties are identified in accordance with the criteria set out in the Sri Lanka Accounting Standards (LKAS 24). Other than the note no. 35 related parties disclosed on the Annual Report; there were no transaction with related parties that were more favorable or preferential during the period under review.

Accounting Policies and Explanatory Notes

There were no changes in Accounting Policies adopted by the Company during the Financial Year under review. The Accounting Policies and explanatory Notes adopted in preparation of the Financial Statements.

Financial Results/Profit and Appropriations

The Statement of Comprehensive Income of this report.

Property, Plant & Equipment

During the year under review the Company invests Rs. 243 Million in Property, Plant & Equipment.

Note 10 to the Financial Statements provide information relating to movement in Property, Plant & Equipment during the year Investments.

Investments

Notes 13, 14, 15 and 16 to the Financial Statement declare the details of long term investments held by the Company as of 31st March 2023.

Dividend

The Directors do not recommend payment of a dividend for the financial year ended 31st March 2023.

Stated Capital

As per the terms of the Companies Act No. 07 of 2007. The stated capital of the Company is Rs.50,000,000/- as at 31st March 2023. The details are given in Note 23 to the Financial Statement.

Contingent Liabilities

Details of the contingent liabilities are disclosed in note 34 to the Financial Statements.

Post Balance Sheet Event

There were no material events occurring after the Balance Sheet date that require adjustments, or disclosure which require adjustment in the Financial Statements other than those mentioned in note 36 to the Financial Statements.

Board Sub - Committees

Audit Committee

Name of the Director

Mrs. M.G.N. Premathilake (Chairperson)

Mr. G.U.K. Algewattage

Mr. Emal Gunasekara

Chief Internal Auditor, Ministry of Ports, Shipping & Aviation, by invitation

Mrs. N.A.H.K. Wijerathne

Directors' Remuneration

A sum of Rs. 488,500/- (2021/2022 – Rs. 596,050/-) was paid as Directors' fees during the financial year 31st March 2023.

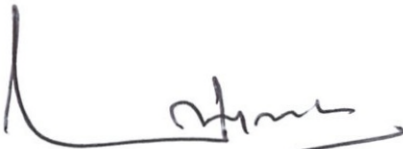
Going Concern

The Directors have reviewed the Company's business plans and are satisfied that the Company has adequate resources to continue as a going concern for the foreseeable future. As such, the Financial Statement is prepared on that basis for the Ceylon Shipping Corporation Ltd.

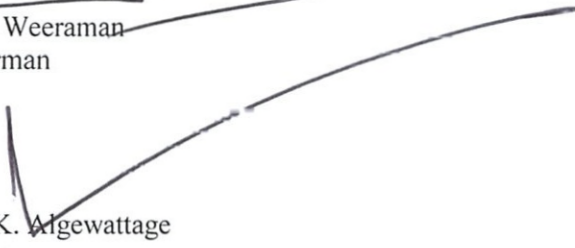
Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory financial obligations to the Government and to the employees have been either duly paid or adequately provided in the financial statements.


By Order of the Board



W.S. Weeraman
Chairman



G.U.K. Algewattage
Director



T.M.V.L. Muthugama
Company Secretary

At Colombo
13th August 2023

CSCL Financial Highlights from the year 2013/14 to 2022/23

Performance	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Revenue	527	623	617	2,541	2,499	3,053	3,849	3,095	7,877	6,649
Direct Operational Expenses	(237)	(135)	(261)	(1,601)	(1,665)	(2,076)	(2,637)	(2,043)	(5,707)	(3,254)
Gross profit	290	488	356	940	834	977	1,212	1,052	2,170	3,395
Other Income	196	69	66	183	257	237	118	230	472	835
Administration Expenses	(163)	(190)	(185)	(210)	(220)	(221)	(217)	(216)	(264)	(246)
Impairment of Assets	(29)	(139)	(51)	(42)	(60)	(133)	(268)	(162)	(177)	(84)
Profit from Operations	294	228	186	871	811	860	845	904	2,201	3,900
Interest Expenses - Vessel Loan	-	-	(41)	(652)	(767)	(930)	(942)	(757)	(728)	(1,570)
Profit/(Loss) Before Income Tax and Exchange Loss	294	228	145	219	44	(70)	(97)	147	1,473	2,330
Exchange Loss	-	-	(37)	(502)	(294)	(1,488)	(1,010)	(684)	(6,081)	(2,811)
Share of Profit of Associates	15	12	16	13	17	35	22	10	40	47
Profit/(Loss) Before Income Tax	309	240	124	(270)	(233)	(1,523)	(1,085)	(527)	(4,568)	(434)
Income Tax for the Year	(59)	(115)	(10)	(7)	(12)	-	-	-	-	(191)
Profit/(Loss) After Income Tax	250	125	114	(277)	(245)	(1,523)	(1,085)	(527)	(4,568)	(625)
Deferred Tax Adjustment for the year	-	-	(40)	40	69	420	(69)	(286)	(1,197)	(1,232)
Profit/(Loss) After Income Tax & Deferred Tax Adjustment	250	125	74	(237)	(176)	(1,103)	(1,154)	(813)	(5,765)	(1,857)
Key Indicators										
Gross profit Margin	2013/14 55%	2014/15 78%	2015/16 58%	2016/17 37%	2017/18 33%	2018/19 32%	2019/20 31%	2020/21 34%	2021/22 28%	2022/23 51%
Basic and Diluted Earnings Per Share	50	25	15	(47)	(49)	(305)	(217)	(105)	(914)	(125)
Current Ratio	2.04	2.08	1.07	0.91	1.05	1.23	1.27	1.15	0.90	0.81
Total Equity	1,209	1,329	1,393	1,145	1,029	(56)	(1,275)	(2,042)	(7,914)	(9,210)
Total Assets	2,132	7,090	11,034	13,629	13,792	13,672	13,730	12,093	12,471	13,137

Ceylon Shipping Corporation Ltd.
Annual Report & Accounts of
2022/2023

Sustainability Report

Ceylon Shipping Corporation Limited, in the Colombo 01, launched its third consecutive Fourth Sustainability Report for the year 2023/24. Titled “The Present need to sustain for the Future” the report outlines CSCL commitment to driving a sustainable business.

C 122/3(a)/1 of the IMO Secretariat to identify, analyse and address emerging issues and opportunities to further support Member States in their implementation of the 2030 Agenda for Sustainable Development (the IMO SDGs Strategy).

As a specialized agency of the United Nations responsible for global standards for safe, secure, clean and efficient maritime transport, the International Maritime Organization (IMO) has an important role to play in helping Member States to achieve the 2030 Agenda.

IMO is actively working towards the 2030 Agenda and is contributing to the implementation of the SDGs both through providing the legislative framework for international shipping that enables sustainable development and through specific capacity building activities.

While IMO supports the implementation of the 2030 Agenda as a whole, the areas identified by the IMO SDGs Strategy as of most impact of its work are SDG 14 (life below water), SDG13 (climate change), SDG9 (industry, innovation and infrastructure) and SDG5 (gender equality), next to the over-arching SDG17 (partnerships and resource mobilization).

As Sri Lanka faced the 2019 Easter attacks, the COVID-19 pandemic, and currently the external debt and saviour economic crisis, despite setbacks, implementation of policy measures has continued at the national and sub-national levels to deliver the country’s 2030 Agenda commitments. Amongst these, the establishment of the Sustainable Development Council, increasing data availability on SDG indicators from 46 in 2017 to 104 in 2021 and taking steps to mobilize innovative financing for SDGs are notable. To achieve above needs CSCL is already planning to fulfil the IMO SGD goals as an Asian a Government Shipping competitor in the Asian Region with Strong Technically and corporate background to cater.

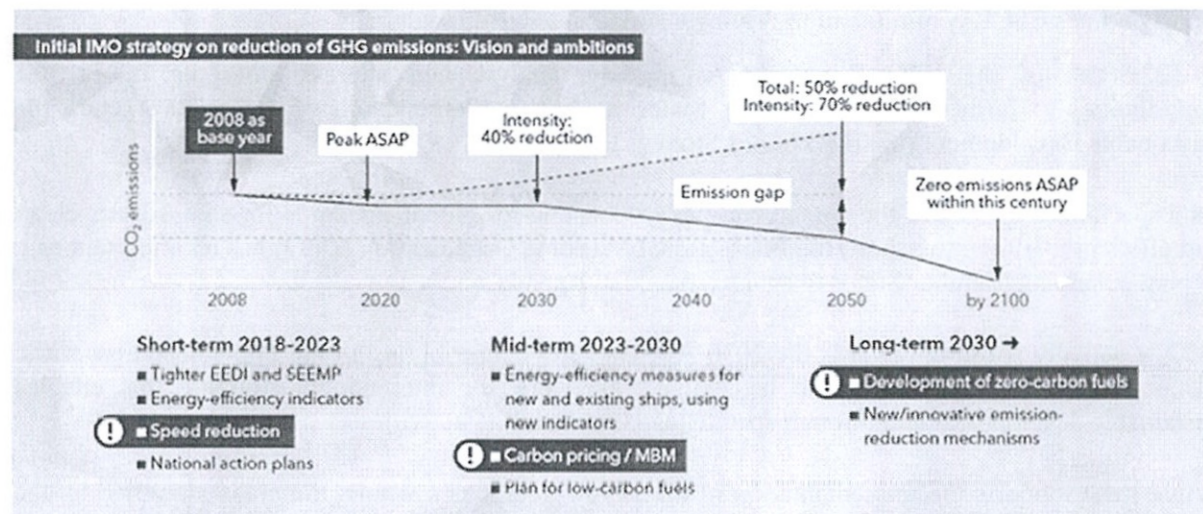
According to the United Nations Agenda 2030 on Sustainable Developments Goals and Sri Lanka Sustainable Development Act, No. 19 of 2017 which was passed in Parliament on 03.10.2017, this report gives an overview of the company’s sustainability performance during the year under review, considering three key areas i.e. Economic, Environmental and Social performance of the Company.

Environmental Sustainability

The CSCL ships MV. Ceylon Breeze and MV. Ceylon Princess have been built, operated, and designed in accordance with all applicable emission norms and regulations that have been adopted globally by shipping administrations under the auspices of IMO. The IMO's MARPOL Convention's Annex VI regulates emissions from international shipping. They cover greenhouse gas (GHG) emissions, energy efficiency, and air pollution. The enhancement of the current energy efficiency framework with a focus on EEDI and SEEMP, particularly through the adoption of amendments to MARPOL Annex VI on the early implementation of the EEDI Phase 3 requirements for specific ship types, which have been in effect since April 2022 in accordance with resolution MEPC. 324 (75).

The key objectives of the policy framework, according to IMO, are listed below.

1. Reduce yearly greenhouse gas emissions from international shipping by at least 50 percent by 2050 relative to their level in 2008, and work toward completely eliminating GHG emissions from shipping as soon as possible this century.
2. The Initial GHG Strategy calls for a reduction in international shipping's carbon intensity (to lower CO₂ emissions per transport work) of at least 40% by 2030 and a goal of 70% by 2050. This is in comparison to 2008.



IMO GHG reduction Strategy

All ships must calculate their acquired Energy Efficiency Existing Ship Index (EEXI) starting on January 1, 2023 in order to gauge their energy efficiency and start data collecting for the reporting of their annual operating carbon intensity indicator (CII) and CII rating. Every ship and every ship that has undergone a major conversion are covered by EEXI.

Attained Energy Efficiency Existing Ship Index (attained EEXI) is computed for each ship and each ship that has undergone a substantial conversion (MARPOL Annex VI Regulation 23 Attained EEXI).

CSCL Technical department has been understood the above mentioned GHG reduction strategies of IMO and all precautions have been conducted to comply to both panamax bulk carriers owned to the Government of Sri Lanka. The Makers of the main Engine is MAN energy solutions. Each vessel impacted by the regulation's EEXI value must be calculated separately. The result provides the appropriate power limitation to meet the EEXI standards by coordination with the MAN primary Serve and CSCL of both vessels.

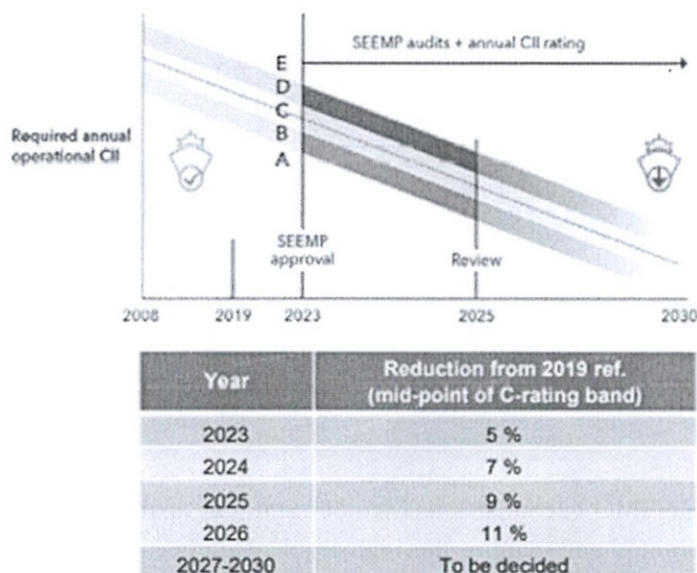
Key benefits

- Easy installation on AT2000 / AT3000 remote control systems
- Activated/overridden Overridable Power Limitation (OPL) directly from main bridge
- Override logging
- Optimized for better performance (combinatory curves reviewed, optimi-zed and implemented)
- Stable and efficient propulsion control thanks to system level OPL, with minimum wear on the propulsion configuration, and lowest possible fuel oil consumption

In addition to the above Very Low Sulphur Fuel oil (VLSFO) has been consumed by our engines (for main Propulsion and Auxiliaries) from January 2020 as per the sulphur regulations of IMO.

The goal of SEEMP Part III is to assist businesses in achieving the necessary CII (Carbon Intensity Indicator). The SEEMP Part III, which is a required ship-specific document that relates to this annual rating, outlines the strategy for enhancing the CII and therefore the vessel's operating energy efficiency over the following three years.

The SEEMP Part III is a dynamic document that is frequently revised and updated to reflect shifting performance and necessary metrics. As of January 1, 2023, it must be validated and stored on board the relevant vessel along with the Confirmation of Compliance (CoC).



IMO: Required IMO operation Carbon intensity ratings

The CII must be calculated and reported to the Data Collection System (DCS) verifier starting in 2024 together with the whole DCS data for the prior year, including any correction factors and voyage modifications. The DCS Statement of Compliance (SoC), which must be kept on board for five years, will note the achieved CII and the environmental rating (A to E). Before the SoC is given out, the SEEMP Part III must be updated with a corrective action plan and confirmed if there have been three consecutive D ratings or one E rating. The analysis of why the needed CII was not met should be part of the corrective action plan, which should also include a new implementation strategy.

According to the CII indicator of our Vessels, MV. Ceylon Breeze and MV. Ceylon Princess are in the category of C. Therefore our vessels are complying the CII values for the next 3 years but need to develop the consumption of the vessels.

Social Sustainability

Today we all depend on seafarers for most of the things we take for granted in our everyday lives. Over one million seafarers operate the global fleet – they bring both the essentials and the luxuries of life to billions of people. Shipping is essential to the world – but there would be no shipping without seafarers. Therefore 52 cadet officers from Sri Lankan Universities have been trained at a time of both vessels. Normally 21 seafarers (both officers and other crew members) contributed to the USD income to SL economy to fulfill social sustainability of their families.



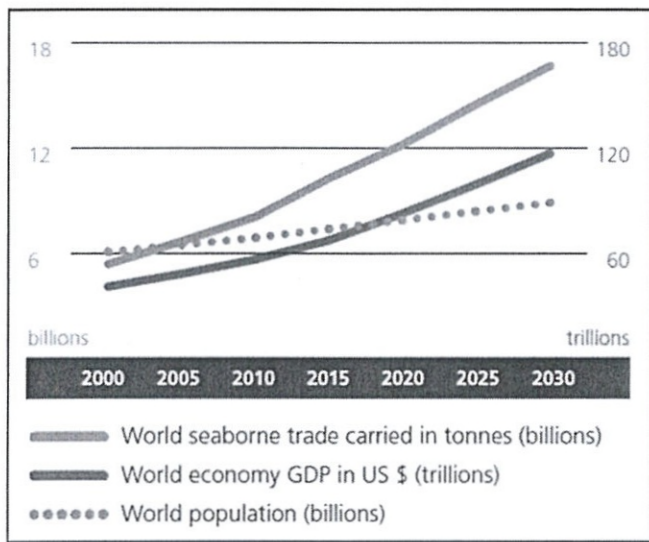
Through its Women in Maritime programme, IMO encourages its Member States to enable women to train alongside men in their maritime institutes and acquire the high-level of competence that the maritime industry demands. IMO supports gender equality and the empowerment of women through gender specific fellowships; by facilitating access to high-level technical training for women in the maritime sector in developing countries. By creating the environment in which women are identified and selected for career development opportunities in maritime administrations, ports and maritime training institutes. In close collaboration of the all leading maritime colleges in the country CSCL encourage and support the above mentioned future plans of the IMO at global scale. Gender equality is ensured not only in our office but also on board our vessels and trained two women seafarers in 2021. They have been trained successfully on board for 6 months.

When it comes to paying crew wages, including EPF/ETF and compensation by subscribing to insurance policies, providing all medical and other hygienic facilities on board ships, and complying with International Labor Organization (ILO) regulations, CSC has done its absolute best to meet industry standards.

We view safety as a fundamental human right, and poor working conditions have an impact not just on employees' productivity and effectiveness, but also on their families and communities. One of our top priorities is the safety of our personnel. We have successfully implemented the ISM system to ensure safety on board our two vessels.

The Wi-Fi facilities for all seafarers on board have been facilitated as understanding that the communication is a major requirement to minimize the fatigue of seafarers.

Economic Sustainability



Sources: IHS, OECD, UN

Maritime trade will continue to expand (along with Global GDP and Population).

Our both vessels trading worldwide and earning around USD 20,000.00 per day as charter hire. This operation has been continued after coal carrying operation from September to end of March every year.

The Daily operational cost (DOC) was maintained for around USD 4,500.00 in 2022/ 2023 per vessel and Estimated USD 5,000.00 per vessel in year 2023/2024.

CSCL focused the foreign income generated by seafarers; therefore some of the trained cadets were absorbed to the CSCL vessels while others were guided to work on various other shipping companies as top ranked officers. All of them are in active sea service bringing thumping amount of foreign exchange to the country annually. Their involvement in uplifting the social and economic status of the own families is creating a colossal effect of economic prosperity of the nation, beneficial from the concept of training and trading implemented by CSCL.

Through MLC and Document of Compliance (DOC), Sri Lankan Seafarers are being recruited for foreign vessels by the Business development division of CSCL.

Today, the CSCL has enhanced the portfolio of the income generated via implementing purchasing of supramax Tanker combination with CEPETCO and looking for exporting mineral sand with providing expertise contribution to the Ministry of Mining. By reducing the fuel consumption of vessels to comply SEEMP (iii) for MV. Ceylon Breeze and MV. Ceylon Princess Fuels can be reduced and it's a huge economic benefit.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is appointed by the Board of Directors of the Ceylon Shipping Corporation (CSC) and reports directly to the Board. The Audit Committee of CSC consisted of three Independent Non-Executive Directors during the financial year:

Mrs. M.G.N. Premathilake - Chairperson

Mr. G.U.K. Algewattage - Member

Mr. Emal Gunasekara - Member

ROLE OF THE AUDIT COMMITTEE

The Audit Committee is empowered to examine all matters pertaining to the financial affairs of the Company and assists the Board of Directors in effectively discharging their duties. The Audit Committee examines the preparation, presentation and adequacy of disclosure with the Sri Lanka Accounting Standards (SLFRS/LKAS) and whether the financial reporting requirements are in accordance with the Companies Act No. 07 of 2007 and other relevant financial reporting related regulations and requirements.

The Audit Committee reviewed and recommended the annual Financial Statements prior to the final approval by the Board.

The Audit Committee also reviewed the adequacy and proper continuous functioning of the internal control procedures of the Corporation to obtain reasonable assurances that the financial statements of the Corporation accurately reflect the state of affairs of the Corporation and the results for the period to which it relates. An independent internal audit is carried out as and when required, Internal Audit Reports are reviewed and discussed with management with a view to further strengthening the internal control environment within the corporation. The Audit Committee also assessed major business and control risks of the Company.

MEETINGS

Four Audit Committee meetings were held during the year 2022/23. The Audit Committee meeting attendance of the directors/members was as follows.

Mrs. M.G.N. Premathilake (4/4)

Mr. G.U.K. Algewattage (1/4)

Mr. Emal Gunasekara (2/4)

Mrs. N.A.H.K. Wijerathne - By invitation (4/4)

If Directors are unable to attend a meeting, they have the opportunity to discuss any agenda items with the committee Chairman and to request for an excuse.

The Representative from the National Audit Office, Chief Internal Auditor of the Line Ministry, General Manager, Deputy General Managers, Assistant General Managers and Sectional Heads also attended the meeting by invitation of the Audit Committee. The Internal Auditor functions as the Convener of the Committee.

Reviews:

The audit committee reviewed the following for the year concerned.

1. Annual Reports: 2020/21 and 2021/22:

Recommendation:

The Audit Committee recommended submits annual reports within the given time frame. The process of submitting annual report ends only when it submitted to the Parliament and not to the Ministry, so the committee has been advised to be aware of the new instruction issued regarding the Annual Reports.

The Committee recommended that 2021/22 Annual Report process should be completed in the month of April.

2. Recoveries from Lanka Coal Company (LCC):

Recommendation:

The committee recommended following up on the process of recovery of current receivable and also overdue amounts in arrears from LCC. It also recommended preparing a payment plan on behalf of LCC and preparing a report indicating the progress of debt recovery and age analysis of remaining balances. Also Audit Committee instructed that the payment plan to be sent to LCCs through line ministries.

The committee recommended that the summary report on outstanding balances be given as a note to the board meeting.

The Board agreed to discuss this with the Secretary, and the Audit Committee decided to send these matters to the Secretary to arrange the meeting with the concerned parties (with age analysis and which parties are involved in the meeting) and to send this request to the Board for decision in the board meeting.

3. Computer based Ship Management Package to Technical Section:

Recommendation:

The committee recommended submits a progress report to the Board meeting and to the audit Committee. The committee was instructed to appoint a committee to explain our requirements to the service provider.

4. Efficiency Bar Test:

Recommendation:

The committee recommended that if the DG/Merchant Shipping Secretariat response is delayed, then get assistance from another institution like the National Institute of Labor Studies (NII.S) for EB examination and speed up this process.

5. Non Asset included in the Asset Register:

Recommendation:

The Audit Committee instructed to forward the committee report to the board.

6. Board of Survey 2021/22, 2022/23:

Recommendation:

- The committee recommended carry out the asset verification onboard ships at the time of arrival the ships to the Port of Colombo.
- Also made a request to both Masters of the ships to maintain a suitable mechanism to ensure the physical existence of the asset on board and also requested to submit a Mater certified report on or before 30th April every year to enable to attach to the Report of the Board of Survey.

7. Meeting prior to the Audit Queries:

Recommendation:

It is recommended that prior requests to arrange a meeting with the government auditors should be made formally and it is better if the formal letter to the auditors is signed by GM or AGM (F).

8. Audit Queries:

Recommendation:

The committee stated that if we are taking more time in answering the audit queries, we should send a letter to the government audit regarding the delay.

9. Under/Over Payments made by Charter parties:

Recommendation:

The committee recommended that in order to minimize future underpayments of charter hires, it is recommended that charter party agreements be prepared with necessary clauses, where the charter hires are received in full by the payment party (charterer), without deducting bank charges or other money transfer charges related to the global money transfer process.

10. Accounting Package to finance Section:

Recommendation:

Accounting package is recommended for the finance division subject to the procurement procedure.

It was also recommended that the decision of awarded tenders to be submitted to the Board as note to the Board.

11. Asset Valuation:

AGM (F) stated that a decision has been taken that only the land, building and vehicles will be revalued.

Recommendation:

The committee recommended that a board paper should be sent regarding the company decision.

12. Terminal Benefit claims of crew members:

Recommendation:

The committee has suggested that the issue of the terminal benefit claims of crew members should be sent to the Acting GM, and the Acting GM will decide which division should be involved in this matter.

13. Manual of each position:

Recommendation:

The committee recommended that the HODs should take up this responsibility and should do it within the decided time frame.

14. Maintaining of fixed assets register

Recommendation:

It was recommended that system maintained asset purchases records are sufficient to maintain the asset register and a manually maintained asset register is not required.

Also, the administration section was instructed to print the monthly details of the purchased assets and maintain a separate file and also instructed to maintain a backup system if necessary to safeguard the asset database.

15. Assets exist in the IFS system but not in physically in the office premises :

Recommendation:

The Committee suggested that the progress of this matter should be reported to the AMC. Reasons for these differences should be duly justified in the report. Also, the committee recommended that the items to be disposed in the future should be properly removed from the system.

16. Unidentified receipts and payments:

Recommendation:

The committee recommended that an unidentified receipt in Peoples Bank (A/C no. 40210903) of Rs. 12,000 should be taken as other income.

17. Non-operating bank accounts:

Recommendation:

The committee advised to inform the board and close those non-operating accounts.

18. Annual budget:

Recommendation:

The chairperson stated that the variance between our estimated and actual financial figures should balance within a 5% variance in the future.

19. Progress of SOR:

Recommendation:

CSC is in the process of preparing the proposal for structural changes and the organizational structure for the approved cadre and amending the SOR as advised by the Line Ministry.

20. Petty cash advance:

Recommendation:

The Audit Committee recommended that progress of the settlement list and updated advances list should be presented to the forthcoming Audit Committee meetings.

The committee also recommended that other staff willing to serve as wharf clerks should be trained for this shortage of staff.

The committee stated to the AGM (Liner/logistic/NVOCC) to suggest, an efficient method regard petty cash settlement and it should be reported to the AMC.

21. Other Matters:

Recommendation:

The Committee recommended that to forward a fixture note in connection with the ship chartering to the notice of the Directors of the Board. Also requested the conditions mentioned in the agreements should also submit to the notice of the Directors.

Conclusion:

The minutes of the Audit Committee and other reports are submitted to the Board of Directors for their reference and necessary actions. And also, copies of the minutes of the meetings are submitted to the Secretary of the Ministry.

On behalf of the Committee



Mrs. M.G.N. Premathilake
Chairperson - Audit Committee

Ceylon Shipping Corporation Ltd.
Annual Report & Accounts of
2022/2023

Acknowledgement

*The Hon. Minister of Ports, Shipping and Aviation
has continued to give the Corporation,
his fullest support, advice and encouragement of which the Corporation is thankful.*

*The Corporation has also to thank the officials in the Ministry Ports, Shipping and
Aviation for their co-operation and assistance in fulfilling the aspirations of the Corporation.*

*The Corporation wishes to thank the Sri Lanka Ports Authority, Sri Lanka Customs
and*

The Foreign Agents for their assistance and co-operation at all times.

*The Corporation also owes a debt of gratitude to all its customers who have
use of its services and for all the co-operation received from them.*

THANKS TO THE STAFF

*Management / Employees relationships continued to improve during the year under
review with the staff, generally presenting a cordial and co-operative attitude. The
unions provide to be very responsible and responsive in their dealings with the
management.*

*The management must place on record the dedicated, conscientious and loyal services
rendered by all employees, both afloat and ashore, which enabled the Corporation to
withstand the severe recession facing the Shipping Industry.*



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

PAS/B/CSCL/01/2023/87

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

දෙසැම්බර් 20 දින

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සි/ස ලංකා නැව් සංස්ථාව.

සි/ස ලංකා නැව් සංස්ථාවේ 2023 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් තෛතික හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

1. මූල්‍ය ප්‍රකාශන

1.1 තත්ත්වගණනය කළ මතය

සි/ස ලංකා නැව් සංස්ථාවේ 2023 මාර්තු 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය කාර්යසාධන ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා මුදල් ප්‍රවාහ ප්‍රකාශනය සහ මූල්‍ය ප්‍රකාශනවලට අදාළ සටහන්, සාරාංශගත වැදගත් ගිණුම්කරණ ප්‍රතිපත්ති වලින් සමන්විත 2023 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාව සමඟ සංයෝජිතව කියවිය යුතු 2018 අංක 19 දරන ජාතික විගණන පනතේ විධිවිධාන අනුකූලව මාගේ විධානය යටතේ විගණනය කරන ලදී. ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (6) ව්‍යවස්ථාවට ප්‍රකාරව මාගේ වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුවේ සහාගත කරනු ලැබේ.

මාගේ වාර්තාවේ තත්ත්වගණනය කළ මතය සඳහා පදනම කොටසේ විස්තර කර ඇති කරුණු වලින් වන බලපෑම හැර, සමාගමේ මූල්‍ය ප්‍රකාශන තුළින් 2023 මාර්තු 31 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා එහි මූල්‍ය ක්‍රියාකාරිත්වය හා මුදල් ප්‍රවාහ ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතිවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 තත්ත්වගණනය කළ මතය සඳහා පදනම

(අ) 2023 මාර්තු 31 දිනට මූල්‍ය ප්‍රකාශන අනුව සමාලෝචිත වර්ෂයේ අලාභය රු.1,857,129,766ක් වූ අතර සමුච්චිත පාඩුව රු.10,855,139,608 ක් විය. තවද, 2023 මාර්තු 31 දිනට සමාගමේ ශුද්ධ වත්කම් වල අගය රු.9,210,094,328 ක සෘණ අගයක් විය. වර්ෂය සඳහා වූ අලාභය පෙර වර්ෂයට සාපේක්ෂිතව සියයට 67.79 කින් අඩු වී ඇති අතර සමාගමේ ශුද්ධ වත්කම්වල සෘණ ශේෂය පෙර වර්ෂයට සාපේක්ෂිතව සියයට 16.37 කින් ඉහළ ගොස් ඇත. සමාගම නොකා දෙකක් මිලදී ගැනීම සඳහා 2014 වර්ෂයේදී ඇ.ඩො.මිලියන 70 ක



කාලීන ණයක් (Term Loan) සහ එම ණය පොලිය ගෙවීමට පොලී ප්‍රාග්ධනිත ණයක් ලෙස ඇ.ඩො.මිලියන 5.44 ක් මහජන බැංකුවෙන් ලබා ගෙන තිබූ අතර, 2023 මාර්තු 31 දිනෙන් අවසන් වර්ෂය තුළ ගෙවා තිබූ කාලීන ණය, පොලී ප්‍රාග්ධනිත ණය සහ ඊට අදාළ පොලිය රු.2,828,293,385 ක් සමාගම විසින් මහජන බැංකුවට ගෙවීමට සිදුවීම මත 2023 මාර්තු 31 දිනට එක්සත් ජනපද ඩොලර් ණය ශේෂය ශ්‍රී ලංකා රුපියල් අගයට පරිවර්තනය කිරීමේදී රු. 2,811,891,329 ක් වූ විනිමය අලාභයක් සිදුව තිබීම සමාගමේ සමස්ත අලාභයට හේතු වී තිබුණි. ඒ අනුව සමාගමේ අඛණ්ඩ පැවැත්ම සම්බන්ධව පවතින අවිනිශ්චිතතාව පිළිබඳව පැහැදිලි ඇඟවීමක් ඇති බව නිරීක්ෂණය විය. මෙම තත්ත්වය මග හරවා ගැනීම සඳහා 2021 ජූලි 30 වැනි දින පැවති විශේෂ මහා සභා රැස්වීමේ දී (EGM) සමාගම ක්‍රියාමාර්ග යෝජනා කර තිබුණද, එම විනිමය අලාභය අවම කිරීමේ ක්‍රියාමාර්ග ක්‍රියාත්මක කිරීමට සමාගම අපොහොසත් වී තිබුණු අතර 2023 මාර්තු 24 දින පැවති විශේෂ මහා සභා රැස්වීමේදී ඒ සඳහා නව ව්‍යාපාරික ව්‍යාපෘති 06 ක් තවදුරටත් යෝජනා කර තිබුණි.

- (ආ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 19 හි 57 (a) i (LKAS 19) ඡේදයට අනුව ආයතනය විසින් එහි පාරිතෝෂික පිළිබඳ ගිණුම්කරණ ප්‍රමිතයට අදාළව කටයුතු කරන විට එය ප්‍රක්ෂේපනය කරන ලද ඒකක ණය ක්‍රමයට අනුව (Actuarial Technique, the projected unit credit method) ගණනය කර ගිණුම්ගත කළ යුතු වුවද සමාගම විසින් රු.29,348,420 ක පාරිතෝෂික ගණනය කිරීම හා ගිණුම්ගත කිරීම අදාළ ගිණුම්කරණ ප්‍රමිතයට අනුව සිදු කර නොතිබුණි.
- (ඇ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 37 (LKAS 37) හි ප්‍රතිපාදන වෙන්කිරීමේ අවිනිශ්චිත වගකීම් පිළිබඳ 14 වන ඡේදයට අනුව ආයතනයට වර්තමාන වගකීමක් ඇති අතීත සිදුවීමක ප්‍රතිඵලයක් ලෙස සම්පත් පිටතට ගලායාමේ වගකීම ඇති විටක සහ එම ප්‍රමාණය පිළිබඳව විශ්වාසනීය ඇස්තමේන්තුවක් කළ හැකි විටක ඒ වෙනුවෙන් අවසන් මූල්‍ය ප්‍රකාශනවල ප්‍රතිපාදන වෙන් කිරීම හා හෙලිදරව් කිරීම් කළ යුතු වුවද, සමාගමට එරෙහිව එහි සේවයේ නියුතුව සිටි සේවකයින් 10 දෙනෙකු පවරා තිබුණු නඩුවලට අදාළව 2022/2023 වර්ෂයේ අවසන් මූල්‍ය ප්‍රකාශන තුළ හෙලිදරව් කිරීමක් සිදු කර නොතිබුණි.
- (ඈ) 2021/2022 වර්ෂයට අදාළ කුලියට ගත් නැව් මගීන් ගල් අඟුරු ප්‍රවාහනය සඳහා දරන ලද වියදම (Charter Hire Expenses Coal Vessel) වන රු.5,572,187 ක් 2022/2023 ගිණුම් වර්ෂයේදී හඳුනාගෙන ඇති බව විගණනයේ දී අනාවරණය වූ අතර ඒ හේතුවෙන් 2021/2022 වර්ෂයේ අලාභය එම ප්‍රමාණයෙන් අඩුවෙන් දක්වා ඇති අතර LKAS 08 ගිණුම්කරණ ප්‍රමිතය 42 (ආ) අනුව හිමිකම් වෙනස් වීමේ ප්‍රකාශයේ ආරම්භක රඳවාගත් ඉපයීම්වලට අතීතයට බලපාන ලෙස පෙර වර්ෂයේ ගැලපීම් ලෙස ගැලපිය යුතු වුවත් එය 2022/2023 වර්ෂයේ සෘජු වියදම් යටතට ගලපා ඇති අතර ඒ හේතුවෙන් 2022/2023 වර්ෂයේ අලාභය එම ප්‍රමාණයෙන් වැඩියෙන් පෙන්වුම් කර තිබුණි.

ශ්‍රී ලංකා විගණන ප්‍රමිතිවලට (ශ්‍රී.ලං.වි.ප්‍ර) අනුකූලව මා විගණනය සිදු කරන ලදී. මෙම විගණන ප්‍රමිති යටතේ වූ මාගේ වගකීම, මෙම වාර්තාවේ මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම යන කොටසේ තවදුරටත් විස්තර කර ඇත. මාගේ තත්ත්වවිගණනය කළ මතය සඳහා පදනමක් සැපයීම උදෙසා මා විසින් ලබාගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් සහ උචිත බව මාගේ විශ්වාසයයි.

1.3 සමාගමේ 2022/2023 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු

මෙම විගණන වාර්තාවේ දිනට පසුව මට ලබා දීමට බලාපොරොත්තු වන සමාගමේ 2022/2023 වාර්ෂික වාර්තාවේ ඇතුළත් කර ඇති නමුත් මූල්‍ය ප්‍රකාශන සහ ඒ පිළිබඳව වූ මගේ විගණන වාර්තාවේ ඇතුළත් නොවන තොරතුරු, අනෙකුත් තොරතුරු යන්නෙන් අදහස් වේ. මෙම අනෙකුත් තොරතුරු සඳහා කළමනාකරණය වගකිව යුතුය.

මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් වූ මගේ මතයෙන් අනෙකුත් තොරතුරු ආවරණය නොකරන අතර මම ඒ පිළිබඳ කිසිදු ආකාරයක සහතිකවීමක් හෝ මතයක් ප්‍රකාශ නොකරමි.

මූල්‍ය ප්‍රකාශන පිළිබඳ මගේ විගණනයට අදාළව, මගේ වගකීම වන්නේ ඉහත හඳුනාගත් අනෙකුත් තොරතුරු ලබා ගත හැකි වූ විට කියවීම සහ එසේ කිරීමේදී අනෙකුත් තොරතුරු මූල්‍ය ප්‍රකාශන සමඟ හෝ විගණනයේදී හෝ වෙනත් ආකාරයකින් ලබාගත් මගේ දැනුම අනුව ප්‍රමාණාත්මක වශයෙන් නොගැලපෙනවාද යන්න සලකා බැලීමයි.

සමාගමේ 2022/2023 වාර්ෂික වාර්තාව කියවන විට, එහි ප්‍රමාණාත්මක වරදවා දැක්වීම් ඇති බව මම නිගමනය කළහොත්, නිවැරදි කිරීම සඳහා පාලනය කරන පාර්ශවයන් වෙත එම කරුණු සන්නිවේදනය කළ යුතුය. තව දුරටත් නිවැරදි නොකළ වරදවා දැක්වීම් තිබේ නම්, ඒවා ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (6) ව්‍යවස්ථාව ප්‍රකාරව මා විසින් යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලබන වාර්තාවට ඇතුළත් කරනු ඇත.

1.4 මූල්‍ය ප්‍රකාශන පිළිබඳ කළමනාකරණයේ සහ පාලනය කරන පාර්ශවයන්ගේ වගකීම්

මෙම මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතිවලට අනුකූලව පිළියෙල කිරීම හා සාධාරණ ලෙස ඉදිරිපත් කිරීම සහ වංචා හෝ වැරදි හේතුවෙන් ඇතිවිය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් තොරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවනු පිණිස අවශ්‍ය වන අභ්‍යන්තර පාලනයන් තීරණය කිරීම කළමනාකරණයේ වගකීම වේ.

මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේදී, සමාගම අඛණ්ඩව පවත්වාගෙන යාමේ හැකියාව තීරණය කිරීම කළමනාකරණයේ වගකීමක් වන අතර, කළමනාකාරිත්වය සමාගම ඇවර කිරීමට අදහස් කරන්නේ නම් හෝ වෙනත් විකල්පයක් නොමැති විටදී මෙහෙයුම් නැවැත්වීමට කටයුතු කරන්නේ නම් හැර

අඛණ්ඩ පැවැත්මේ පදනම මත ගිණුම් තැබීම හා සමාගමේ අඛණ්ඩ පැවැත්මට අදාළ කරුණු අනාවරණය කිරීමද කළමනාකරණයේ වගකීමකි.

සමාගමේ මූල්‍ය වාර්තාකරණ ක්‍රියාවලිය සම්බන්ධව පරීක්ෂා කිරීමේ වගකීම, පාලනය කරන පාර්ශවයන් විසින් දරනු ලබයි.

2018 අංක 19 දරන ජාතික විගණන පනතේ 16 (1) උප වගන්තිය ප්‍රකාරව, සමාගමේ වාර්ෂික සහ කාලීන මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවන පරිදි ස්වකීය ආදායම්, වියදම්, වත්කම් හා බැරකම් පිළිබඳ නිසි පරිදි පොත්පත් හා වාර්තා පවත්වාගෙන යා යුතුය.

1.5 මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම

සමස්ථයක් ලෙස මූල්‍ය ප්‍රකාශන, වංචා සහ වැරදි නිසා ඇතිවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොර බවට සාධාරණ තහවුරුවක් ලබාදීම සහ මාගේ මතය ඇතුළත් විගණන වාර්තාව නිකුත් කිරීම මාගේ අරමුණ වේ. සාධාරණ සහතිකවීම උසස් මට්ටමේ සහතිකවීමක් වන නමුත්, ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනය සිදු කිරීමේදී එය සැමවිටම ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් අනාවරණය කරගන්නා බවට වන තහවුරු කිරීමක් නොවනු ඇත. වංචා සහ වැරදි තනි හෝ සාමූහික ලෙස බලපෑම නිසා ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවිය හැකි අතර, එහි ප්‍රමාණාත්මක භාවය මෙම මූල්‍ය ප්‍රකාශන පදනම් කරගනිමින් පරිශීලකයන් විසින් ගනු ලබන ආර්ථික තීරණ කෙරෙහි වන බලපෑම මත රඳා පවතී.

ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනයේ කොටසක් ලෙස මා විසින් විගණනයේදී වෘත්තීය විනිශ්චය සහ වෘත්තීය සැකමුසු බවින් යුතුව ක්‍රියා කරන ලදී. මා විසින් තවදුරටත්,

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇතිවිය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවීමේ අවදානම් හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම්කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබලවන්නේ ඒවා දුස්ස්ථානාත්මකයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, වෙනත්තාත්වික මහභරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මහභරීමෙන් වැනි හේතු නිසා වන බැවිනි.
- අභ්‍යන්තර පාලනයේ ස්ථලදායීත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවුවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබා ගන්නා ලදී.
- භාවිත කරන ලද ගිණුම්කරණ ප්‍රතිපත්තිවල උචිතභාවය, ගිණුම්කරණ ඇස්තමේන්තුවල සාධාරණත්වය සහ කළමනාකරණය විසින් කරන ලද සම්බන්ධිත හෙළිදරව්කිරීම් අගයන ලදී.

- සිද්ධීන් හෝ තත්ත්වයන් හේතුවෙන් සමාගමේ අඛණ්ඩ පැවැත්ම පිළිබඳ ප්‍රමාණාත්මක අවිනිශ්චිතතාවයක් තිබේද යන්න සම්බන්ධයෙන් ලබාගත් විගණන සාක්ෂි මත පදනම්ව ගිණුම්කරණය සඳහා ආයතනයේ අඛණ්ඩ පැවැත්ම පිළිබඳ පදනම යොදා ගැනීමේ අදාළත්වය තීරණය කරන ලදී. ප්‍රමාණවත් අවිනිශ්චිතතාවයක් ඇති බවට මා නිගමනය කරන්නේ නම් මූල්‍ය ප්‍රකාශනවල ඒ සම්බන්ධයෙන් වූ හෙළිදරව්කිරීම්වලට මාගේ විගණන වාර්තාවේ අවධානය යොමු කළ යුතු අතර, එම හෙළිදරව්කිරීම් ප්‍රමාණවත් නොවන්නේ නම් මාගේ මතය විකරණය කළ යුතුය. කෙසේ වුවද, අනාගත සිද්ධීන් හෝ තත්ත්වයන් මත අඛණ්ඩ පැවැත්ම අවසන් වීමට හැකිය.
- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇගයීමට ඇති බව සහ හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල සමස්ත ඉදිරිපත් කිරීම අගයන ලදී.

මාගේ විගණනය තුළදී හඳුනාගත් වැදගත් විගණන සොයාගැනීම්, ප්‍රධාන අභ්‍යන්තර පාලන දුර්වලතා හා අනෙකුත් කරුණු පිළිබඳව පාලනය කරනු ලබන පාර්ශ්වයන් දැනුවත් කරමි.

2. වෙනත් නෛතික හා නියාමන අවශ්‍යතා පිළිබඳ වාර්තාව

2.1 2018 අංක 19 දරන ජාතික විගණන පනතේ සහ 2007 අංක 7 දරන සමාගම් පනතේ පහත සඳහන් අවශ්‍යතාවයන් සම්බන්ධයෙන් විශේෂ ප්‍රතිපාදන ඇතුළත් වේ.

2.1.1 මාගේ වාර්තාවේ තත්ත්වගණනය කළ මතය සඳහා පදනම කොටසේ විස්තර කර ඇති කරුණු වලින් වන බලපෑම හැර, 2007 අංක 7 දරන සමාගම් පනතේ 163 (2) වගන්තියේ සහ 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (අ) වගන්තියේ සඳහන් අවශ්‍යතාවන් අනුව, විගණනය සඳහා අවශ්‍ය සියලු තොරතුරු සහ පැහැදිලි කිරීම් මා විසින් ලබාගන්නා ලද අතර, මාගේ පරීක්ෂණයෙන් පෙනී යන ආකාරයට නිසි මූල්‍ය වාර්තා සමාගම පවත්වාගෙන ගොස් තිබුණි.

2.1.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 6 (1) (ඇ) (iii) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වේ.

2.1.3 2018 අංක 19 දරන ජාතික විගණන පනතේ 6 (i) (ඇ) (iv) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව මාගේ වාර්තාවේ තත්ත්වගණනය කළ මතය සඳහා පදනම කොටසේ දක්වා ඇති නිරීක්ෂණ හැර ඉකුත් වර්ෂයේදී මා විසින් සිදුකරන ලද නිර්දේශයන් ඉදිරිපත් කරන ලද මූල්‍ය ප්‍රකාශනවල ඇතුළත්ව ඇත.

2.2 අනුගමනය කරන ලද ක්‍රියාමාර්ග සහ ලබා ගන්නා ලද සාක්ෂි මත හා ප්‍රමාණාත්මක කරුණුවලට සීමා කිරීම තුළ, පහත සඳහන් ප්‍රකාශ කිරීමට තරම් කිසිවක් මාගේ අවධානයට ලක් නොවීය.

2.2.1 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (ඇ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ පාලක මණ්ඩලයේ යම් සාමාජිකයෙකුට සමාගම සම්බන්ධව යම් ගිවිසුමක් සම්බන්ධයෙන් සෘජුව හෝ අන්‍යාකාරයකින් සාමාන්‍ය ව්‍යාපාරික තත්ත්වයෙන් බැහැරව සම්බන්ධයක් ඇති බව.

2.2.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (ඊ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණ හැර, යම් අදාළ ලිඛිත නීතියකට හෝ සමාගමේ පාලක මණ්ඩලය විසින් නිකුත් කරන ලද වෙනත් පොදු හෝ විශේෂ විධානවලට අනුකූල නොවන ලෙස ක්‍රියා කර ඇති බව.

නීතිරීති / විධානයට යොමුව	නිරීක්ෂණ
(අ) 2020 අගෝස්තු 28 දිනැති රාජ්‍ය මුදල් චක්‍රලේඛ අංක. 01/2020 හි 11.1 ඡේදය	2023 මාර්තු 31 දිනට අදාළ වාර්ෂික භාණ්ඩ සමීක්ෂණ වාර්තාව විගණකාධිපති ලෙස ලබාදුන් කිරීම ඉදිරි මුදල් වර්ෂයේ ජුනි 30 වන දිනට පෙර සිදුකළ යුතු වුවත්, සමාගම විසින් අබලි භාණ්ඩ 133ක් ඉවත් කිරීමට හා ඊට අදාළ අනෙකුත් කාර්යයන් විගණන දින වන විටත් සම්පූර්ණ කර නොතිබුණි.
(ආ) රාජ්‍ය මුදල් චක්‍රලේඛ අංක 03/2015 හා 2015 ජූලි 14 දිනැති චක්‍රලේඛය	අත්තිකාරම් නිකුත් කිරීමේදී කිසියම් විශේෂිත කාර්යයක් සඳහා මාණ්ඩලික තත්ත්වයේ නිලධාරීන්ට පමණක් එක් අවස්ථාවකදී රු.100,000ක උපරිමයක් දක්වා අත්තිකාරමක් ලබා දීමට ගණන්දීමේ නිලධාරියෙකුට හැකි වුවද, චක්‍රලේඛ උපදෙස්වලට අනුකූල නොවන ලෙස උපරිමය රු.500,000 දක්වා අත්තිකාරම් ලබාදී තිබුණි.
(ඇ) 2018 අංක 19 ජාතික විගණන පනතේ 16.2 වගන්තිය සහ 2021 නොවැම්බර් 16 දිනැති අංක 01/2021 දරන රාජ්‍ය ව්‍යාපාර චක්‍රලේඛයේ මෙහෙයුම් අත්පොතේ 6.6 වගන්තිය	ගිණුම් වර්ෂය අවසන් වී දින 60 ඇතුළත සමාගම විසින් මූල්‍ය ප්‍රකාශන සමඟ කෙටුම්පත් වාර්ෂික වාර්තාව විගණකාධිපති වෙත ඉදිරිපත් කළයුතු වුවද, සමාගමේ මූල්‍ය ප්‍රකාශන විගණනය වෙත ඉදිරිපත් කර තිබුණේ මාස දෙකකට වැඩි ප්‍රමාදයකින් යුතුව 2023 අගෝස්තු 16 දිනදීය.

(ඇ) 2021 නොවැම්බර් 16 දිනැති අංක. විධිමත් අනුමැතියකින් තොරව සමාගම විසින් 01/2021 දරන රාජ්‍ය ව්‍යාපාර සමාලෝචිත වර්ෂයේදී සංග්‍රහ දීමනාව, ප්‍රවාහන වක්‍රලේඛයේ මෙහෙයුම් අත්පොත දීමනාව සහ පැමිණීමේ දිරි දීමනා වෙනුවෙන් එකතුව 3.2 වගන්තිය රු. 15,209,673 ක් ගෙවා තිබුණි.

2.2.3 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (උ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණ හැර සමාගමේ බලතල, කර්තව්‍ය සහ කාර්යයන්ට අනුකූල නොවන ලෙස කටයුතු කර ඇති බව.

(අ) 2016 ජනවාරි 21 දිනැති අංක. අමප/16/0035/737/003 දරන අමාත්‍ය මණ්ඩල තීරණයට අනුව සහ 2005 මැයි 06 දිනැති අංක. 415 දරන රාජ්‍ය මුදල් වක්‍රලේඛයේ විධිවිධානවලට අනුව, සියලුම රාජ්‍ය ආයතන භාණ්ඩ ආනයනය කළ යුත්තේ සි/ස ලංකා නැව් සංස්ථාව හරහා වන අතර එහිදී සමාගම, රාජ්‍ය ආයතනවලට ප්‍රමුඛත්වය ලබා දිය යුතුවේ. 2019 අප්‍රේල් 01 සිට 2023 මාර්තු 31 දක්වා වර්ෂ 4 තුළ රාජ්‍ය අංශයේ භාණ්ඩ ආනයනය කිරීමේ ආයතන ගණන සහ අවස්ථා ගණන පරීක්ෂා කිරීමේදී, සි/ස ලංකා නැව් සංස්ථාව හරහා භාණ්ඩ ආනයනය කිරීමේ ආයතන ගණන සහ අවස්ථා ගණන සාපේක්ෂව අඩුවෙමින් පවතින බව නිරීක්ෂණය විය. විශ්තර පහත පරිදි වේ.

වර්ෂය	2019/20	2020/21	2021/22	2022/23
ආයතන ගණන	28	22	23	27
ආනයන වාර ගණන	2,357	1,925	1,300	821

(ආ) 2021 නොවැම්බර් 16 දරන රාජ්‍ය ව්‍යාපාර වක්‍රලේඛ 01/2021 හි මාර්ගෝපදේශ සංග්‍රහයේ 2.3 ඡේදය ප්‍රකාරව උපාය මාර්ගික සැලැස්ම සකස් කළ යුතු වුවද, එපරිදි කටයුතු කර නොතිබුණි. 2018/2019 සිට 2022/2023 න් අවසන් පස් අවුරුදු සංයුක්ත සැලැස්ම ව්‍යාපාරික පරිසරයේ වෙනස් වීම්වලට අනුකූලව යාවත්කාලීන කිරීමට අධ්‍යක්ෂක මණ්ඩලය කටයුතු කර නොතිබුණි.

(ඇ) 2018/2019 - 2022/2023 සංයුක්ත සැලැස්මේ 4.2 ඡේදයෙහි යෝජිත නව ව්‍යාපාරික සැලැස්ම 07 ක් දක්වා තිබුණි. ඒවායින් ක්‍රියාකාරකම් 05 ක් 2018/2019 සිට 2022/2023 වර්ෂ 05 ක් තුළ ළඟාවීමට සැලැස්ම කර තිබුණු නමුත් එම ක්‍රියාකාරකම් වෙත ළඟාවී නොතිබුණු අතර නව ව්‍යාපාරික අවස්ථා හඳුනා ගැනීමටද කටයුතු කර නොතිබුණි.

(ඇ) සමාගම විසින් ආදායම් ප්‍රභවයන් සම්බන්ධයෙන් වාර්ෂික ක්‍රියාකාරී සැලසුම තුළ අර්ථාන්විත ලෙස ඉලක්ක හා කාර්යසාධන දර්ශක පිහිටුවීම සිදුකර නොතිබුණු අතර සමාලෝචිත වර්ෂයේ ඉලක්ක පිහිටුවීමේදී පසුගිය වර්ෂයේ සැලසුම් කළ ඉලක්ක හා තත්‍ය තත්ත්වය පිළිබඳව සැලකිලිමත් නොවී සමාගමේ කාර්යසාධන ඉලක්ක පිහිටුවීමේදී පහසුවෙන් ලගාකර ගත හැකි ඉලක්ක පිහිටුවා ඒ මත කාර්යසාධනය මැන දැක්වීමක් සිදු කර තිබුණි. මීට අමතරව සමාගම විසින් ආදායම් ප්‍රභව හඳුනා ගැනීමේදී වර්ෂය තුළ ජනනය නොවන ආදායම් ප්‍රභවයන්ද ක්‍රියාකාරී සැලැස්ම තුළ අන්තර්ගත කර තිබුණි. විස්තර පහත පරිදි වේ.

ආදායම් ප්‍රභවය	ක්‍රියාකාරී සැලැස්ම අනුව		සත්‍ය කාර්යසාධනය		ආදායම් ප්‍රතිශතය (%)
	ආදායම	වියදම	ආදායම	වියදම	
ගල් අගුරු ප්‍රවාහනය	3,128	2,675	-	-	
වරලත් කුලී ආදායම	2,293	816	5,337	1,893	133%
Address Commission on Freight	72	-	-	-	
Address Commission on Lightering	472	-	314	-	-33%
ගල් අගුරු සපයන නැව් සඳහා නියෝජිත සේවා සැපයීම	41		15		-63%
කන්ටේනර් තුළ බහාළුම් ප්‍රවාහනය	564	496	760	611	35%
රේගුවෙන් භාණ්ඩ නිෂ්කාශණය හා බෙදා හැරීම	20	12	67	47	235%

(ඉ) අංක 415 දරන රාජ්‍ය මුදල් චක්‍රලේඛයේ විධිවිධානවලට අනුව සි/ස ලංකා නැව් සංස්ථාව විසින් අත්හැරීමේ නිවේදනයක් නිකුත් කළයුතු වන්නේ රජයට වඩාත් වාසිදායක ලෙස ආනයන භාණ්ඩ ප්‍රවාහනය කිරීමට සමාගම අපොහොසත් වන අවස්ථාවකදී පමණි. සමාගමට දැරීමට සිදුවන නැව් කුලිය, සැපයුම්කරු එකඟවන ලද නැව් කුලියට වඩා වැඩිවන අවස්ථාවලදී ඒ බව අත්හැරීමේ නිවේදනයක් මගින් ආනයනකරුට දැන්විය යුතු වුවත්, නැව්ගත කිරීමෙන් අනතුරුව අත්හැරීම් නිවේදන ඉල්ලා සිටීම, හදිසි මිලදී ගැනීම

හේතුවෙන්, CIF මිල ගණන් මත ප්‍රසම්පාදනය පිරිනමා තිබීම හා වෙනත් හේතු මත සමාගම විසින් 2019/20 වර්ෂය තුළ 319 ක් ද 2020/21 වර්ෂයේදී 298 ක් ද , 2021/22 වර්ෂයේදී 185 ක් ද 2022/23 වර්ෂයේදී 118 ක් ද වශයෙන් වක්‍රලේඛයේ නියමයන්ට බැහැරව අත්හැරීම් නිවේදන නිකුත් කර තිබුණි.

(ඊ) පූර්ණ රාජ්‍ය හිමිකාරිත්වය ඇති සමාගමක් ලෙස රාජ්‍ය අංශයේ ආනයන භාණ්ඩ ප්‍රවාහනය තුළින් සමාගමේ ලාභදායීත්වය වර්ධනය කරගැනීම මෙන්ම, විදේශීය නැව් සමාගම් මගින් සිදු කෙරෙන රාජ්‍ය ආනයන තරහකාරී නැව් ගාස්තු ක්‍රමයක් මත සමාගම වෙත නතුකර ගැනීමේ වගකීම සමාගම වෙත පැවරී තිබුණද සමාගමේ ප්‍රවාහන ගාස්තුව, ආනයනයට සම්බන්ධ සැපයුම්කරුවන්ගේ නැව් ගාස්තුවලට වඩා වැඩිවීම හේතුවෙන් 2019/2020 සිට 2022/23 වර්ෂය දක්වා වර්ෂ 4 තුළ පිළිවෙලින් මෙම අත්හැරීම් නිවේදන 174 ක් , 163 ක්, 150 ක් සහ 67 ක් නිකුත් කර තිබුණි.

(උ) විදේශ කටයුතු අමාත්‍යාංශයට අදාළ රාජ්‍ය තාන්ත්‍රික නිලධාරීන්ගේ ආනයන සහ අපනයන ගමන් මඟේ බඩු බාහිරාදිය හැසිරවීම, ඇසුරුම් කිරීම, ප්‍රවාහනය හා නිෂ්කාෂණය සි/ස ලංකා නැව් සංස්ථාව විසින් සිදු කරනු ලබන අතර සේවාව සපයන ආයතනය වන සි/ස ලංකා නැව් සංස්ථාව විසින් අදාළ මිල ගණන් පිළිබඳ තීරණය ගත යුතු වුවද, එය විදේශ කටයුතු අමාත්‍යාංශයේ අධ්‍යක්ෂක ජනරාල්ගේ FA/OAM&D/HD/CSC/GEN හා 2023 ජනවාරි 25 දින දරන ලිපිය අනුව මිල ගණන් තීරණය කරනු ලබන බව හෙළිදරව් විය.

2.2.4 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (ඌ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණ හැර සමාගමේ සම්පත් සකසුරුවම් ලෙස, කාර්යක්ෂම ලෙස සහ ඵලදායී ලෙස කාලසීමාවන් තුළ අදාළ නීතිරීතිවලට අනුකූලව ප්‍රසම්පාදනය කර භාවිතා කර නොමැති බව

(අ) 2020 නොවැම්බර් 10 සි/ස ලංකා නැව් සංස්ථාව සහ TERO MARINE ASIA PACIFIC PTE LTD සමඟ වසර 6 ක කාල සීමාවක් සඳහා සමාගමේ නෞකාවන් වෙනුවෙන් පරිගණක පාදක නැව් කළමනාකරණ පද්ධතියක් ක්‍රියාත්මක කිරීමට USD 102,800 කට ගිවිසුම් ගත වී තිබුණි. පළමු වර්ෂය තුළ අදියර 03 කින් මෙම පද්ධතිය ක්‍රියාත්මක කිරීමට සැලසුම් කර තිබූ අතර එහි අත්තිකාරම් මුදල් වෙනුවෙන් රු.2,903,208 ක් (USD 15,400) සහ පද්ධති සැලසුම් පිළිගැනීම වෙනුවෙන් රු.1,563,087 ක් (USD 7,700) ක් ලෙස රු.4,466,295 ක් වැයකර නෞකා 02 සඳහා පද්ධතිය ස්ථාපිත කර වසර 3 ක කාලයක් ගත වී තිබුණද, මෙම පරිගණක පද්ධතිය ක්‍රියාත්මක නොකර පැවති අතර සමාගමේ ඉදිරි මෙහෙයුම් කටයුතු සඳහා යොදා ගන්නේද නැද්ද පිළිබඳව කළමනාකරණය විසින් සමාලෝචනයක් සිදු කර ප්‍රයෝජනයට ගැනීමට කටයුතු නොකිරීම හේතුවෙන් අදාළ වියදම නිශ්කාර්ය වියදමක් බවට පත්ව තිබුණි.

(ආ) පුත්තලම ලක්විජය බලාගාරයට ගල් අඟුරු ප්‍රවාහනය කරන නැව්වලට විවිධ සේවා සැපයීම සඳහා ලංසු කැඳවා තෝරාගත් බෝට්ටු සේවා 02ක් වෙනුවෙන් තාක්ෂණික ඇගයීම් කමිටු වාර්තාව අනුව ජාත්‍යන්තර වර්ගීකරණ සංගම් සම්මේලනයේ සාමාජික සංගමයකින් ලබාගත් වලංගු මුහුදු ගමන් සඳහා යෝග්‍යතා සහතිකය (Seaworthiness Certificate) හෝ වර්ගීකරණ සංගම් සහතිකය ඉදිරිපත් නොකිරීම, තාක්ෂණික ඇගයීමේදී සැලකිය යුතු ලෙස ප්‍රතිචාර නොදැක්වීම යන කරුණු හේතුවෙන් කොන්ත්‍රාත්තුව ප්‍රදානය කිරීම නිර්දේශ කර නොතිබුණි. එසේම, ගොඩබිම බලයලත් නිලධාරී (Designated Person Ashore- DPA) විසින් බෝට්ටු පිළිබඳව සිදුකරන ලද භෞතික පරීක්ෂාවේදී මෙම ලංසුකරුවන් දෙදෙනා ලංසු කැඳවීමේ සඳහන් නිර්ණායකයන් සපුරා නොමැති බව තහවුරු වූ අතර 2014/15 වර්ෂයේ සිට මේ දක්වා මෙම බෝට්ටු සැපයුම්කරුවන් දෙදෙනා පමණක් ලංසු ඉදිරිපත් කරන තත්ත්වයක් පවතින බවත් මෙම සැපයුම්කරුවන් සම්බන්ධයෙන් පවතින සේවා විශ්වාසය මත පමණක් පදනම්ව සේවා අවශ්‍යතාවය සලකා ඉල්ලුම්කරුවන් දෙදෙනා ඉදිරිපත් කළ මිල ගණන්වලට 2022 සැප්තැම්බර් 21 දින මෙම ප්‍රසම්පාදනය පිරිනමා තිබුණි. 2023/24 වර්ෂයේදී මෙම සේවාව සඳහා මෙම සැපයුම්කරුවන් දෙදෙනා වෙනම ප්‍රසම්පාදනය පිරිනමා තිබූ අතර බෝට්ටුවලට අදාළ ලංසු කැඳවීමේ නිර්ණායකයන් සපුරා නොමැති වීම හේතුවෙන් එහි ගමන් කරන නිලධාරීන්ගේ ආරක්ෂාව පිළිබඳව ගැටළුවක් පවතින බවත්, එම අඩුපාඩු හේතුවෙන් යම් අනතුරකදී රක්ෂණ ප්‍රතිලාභ ලබාගැනීමේ අවදානමක් පවතින බවත් නිරීක්ෂණය විය.

2.3 වෙනත් කරුණු

(අ) මූල්‍ය තත්ත්ව ප්‍රකාශනයට අනුව 2023 මාර්තු 31 දින වන විට සී/ස ලංකා නැව් සංස්ථාවට අයවිය යුතු වෙළඳ ණයගැති වටිනාකම රු. 2,070,761,878කි. එයින් රු. 1,034,044,153 ක ප්‍රමාණයක් වසර 4 කට වඩා වැඩි කාලයක් අය කර ගැනීමට නොහැකි ශේෂ වන අතර රු.257,530,960 ක් වසර 1 සිට 4 දක්වා අයකර ගැනීමට නොහැකි ශේෂ වන අතර 2022/2023 වර්ෂය තුළ ඇති වූ වෙළඳ ණයගැති වටිනාකම රු.779,186,765 ක් විය. ඉහත වෙළඳ ණයගැතියන් අතර දේශීය රාජ්‍ය හා අර්ධ රාජ්‍ය ආයතන වලින් සමාගමට අයවිය යුතු මුදල් රු.1,525,359,729 ක් වන අතර එයින් ද රු.618,045,453 ක් වසර 03කට වඩා වැඩි පැරණි ණයගැතියන් වන බවත්, වසර 03 කට වඩා පැරණි විදේශීය හා අනෙකුත් වෙළඳ ණයගැතියන්ගෙන් 2023 මාර්තු 31 දිනට අයවිය යුතු ශේෂය රු.163,752,420 ක් බවත් අනාවරණය විය.

(ආ) Mv Ceylon Breeze නෞකාව අනතුරට පත්වීම සම්බන්ධයෙන් පහත කරුණු අනාවරණය විය.

- i. Mv Ceylon Breeze නෞකාව 2020 වර්ෂයේදී චීනයේ පියැංගින් වරායේදී ධීවර යාත්‍රාවක (Fishing Vessel) ගැටීම හේතුවෙන් සමාගමට සිදු වූ සම්පූර්ණ අලාභය ආසන්න වශයෙන් රු. 16,999,188 ක් වී තිබුණි. මෙම නෞකාව රක්ෂණ ආවරණයට අදාළ ගිවිසුම අනුව

දැක්වෙන අඩුකිරීම් (Deductible) අගය USD100,000 ක් වීම හේතුවෙන් ඉහත අලාභය එම අගයට අඩුවීම නිසා සමාගම විසින් දරාගත යුතුවිය. තවද, එම නොකාව නැවත වරක් 2021 ජුනි මස 06 දින සිංගප්පූරුවේ දී ලියෝපෝල්ඩ් නොකාව සමග ගැටීම හේතුවෙන් සිදු වූ අනතුරට අදාළ අලාභය මෙම වාර්තාවේ දිනය වන විටත් ගණනය කර නොතිබුණි.

- ii. නොකා හානිවීම පිළිබඳව පරීක්ෂණයක් සිදු කර ඊට අදාළ වගකිව යුතු පාර්ශවයන් හඳුනා ගැනීමට කටයුතු කර නොමැති බවත් 2020 අගෝස්තු 28 දිනැති අංක 01/2020 දරන මුදල් චක්‍රලේඛයේ 2.3 ඡේදය ප්‍රකාරව හානි සම්බන්ධයෙන් සම්පූර්ණ විස්තර රාජ්‍ය මුදල් දෙපාර්තමේන්තුවට වාර්තා කළයුතු වුවත් එපරිදි කටයුතු කර නොතිබුණු බවත් අනාවරණය විය.

- (ඇ) සි/ස ලංකා ගල් අහුරු (පුද්ගලික) සමාගම සහ සි/ස ලංකා නැව් සංස්ථාව අතර 2021 සැප්තැම්බර් 21 දින ඇතිකර ගත් ගල් අහුරු ප්‍රවාහන ගිවිසුමේ 19 ඡේදයට අනුව සමාගම වෙත ගෙවිය යුතු ප්‍රමාදය / රඳවා තබා ගැනීම පිළිබඳ සියලුම හිමිකම්, පැටවීම හෝ මුදාහැරීම අවසන් වූ පසු, දින තිහක් (30) ඇතුළත ගෙවිය යුතු වුවද සමාගමට රු.3,728,788 ක වටිනාකම් සහිත ඉන්වොයිසි 2ක මුදල් 2023 අගෝස්තු 14 දින වන විටත් අයකර ගැනීමට නොහැකිව තිබුණි.



ඩබ්ලිව්.පී.සී.වික්‍රමරත්න

විගණකාධිපති.

Chairman,
Ceylon Shipping Corporation Ltd.

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Ceylon Shipping Corporation Limited for the year ended 31 March 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Ceylon Shipping Corporation Ltd. for the year ended 31 March 2023 comprising the statement of financial position as at 31 March 2023 and the statement of financial performance and the statement of changes in equity for the year then ended and the cash flow statement, the notes to financial statements and the summary of significant accounting policies for the year then ended was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No. 19 of 2018. My report to Parliament in terms of Article 154 (6) of the Constitution will be tabled in due course.

I am of the opinion that, except for the effects of the matters described in the Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) As per the financial statements, loss of the Company for the year under review was Rs. 1,857,129,766 and the cumulative loss as at 31 March 2023 was Rs. 10,855,139,608. Furthermore, the net assets of the Company as at 31 March 2023 was a negative value of Rs. 9,210,094,328. The loss for the year has been decreased by 67.79 per cent as against the preceding year, whereas the negative balance of the net assets of the Company has been increased by 16.37 per cent in comparison with the previous year.

The Company, in the year 2014, had obtained from the People's Bank, a term loan of USD 70 million for the purchase of two ships and USD 5.44 million as an interest capitalized loan to pay for the interest on the said loan and, the overall loss of the Company had accordingly been due to the fact that the Company had to undergo an exchange loss of Rs. 2,811,891,329 in the conversion of the US dollar loan balance into Sri Lanka Rupees as at 31 March 2023 as the Company had to pay the People's Bank a sum amounting to Rs. 2,828,293,385 for the said term loan, interest capitalized loan and the interest related thereto during the year ended 31 March 2023. It was hence observed that there is a clear indication of uncertainty concerning the Company's continued existence as a going concern. Even though the Company had proposed measures at its Extraordinary General Meeting (EGM) held on 30 July 2021 in order to circumvent this situation, the company had failed to implement the remedial measures to mitigate the exchange loss caused and yet another 06 new business projects had been proposed towards that end at the Company's Extraordinary General Meeting held on 24 March 2023.

- (b) At the time when the entity deals with the accounting standard on gratuity in accordance with paragraph 57 (a) i of the Sri Lanka Accounting Standard 19, the Company had not computed and accounted for the gratuity amounting to Rs. 29,348,420 according to the projected unit credit method using Actuarial Technique, even though it was required to calculate and account for such gratuity as per the said accounting standard using the method referred to above.
- (c) Even though the entity, in accordance with paragraph 14 of the Sri Lanka Accounting Standard 37 on Provisions and Contingent Liabilities, was required to make provisions for and disclosures of such liabilities in the final financial statements when the entity has a present obligation probable to incur an outflow of resources as a result of a past event, and a reliable estimate of that amount could possibly be made, no disclosure in the final financial statements for the year 2022/2023 had been made in relation to the cases filed against the Company by 10 employees who were employed in service there.
- (d) During the course of the audit, it was revealed that an expenditure of Rs. 5,572,187 incurred for the carriage of coal by the chartered vessels in relation to the year 2021/2022 had been recognized in the accounting year of 2022/2023, and in

consequence of it, the loss of the year 2021/2022 had been understated by that same amount despite it being adjusted as prior year adjustments with retrospective effect to the opening retained earnings in the changes in equity statement in accordance with the Standard 42 (b) of the Sri Lanka Accounting Standard 08, and it had instead been adjusted under direct expenditure for the year 2022/2023 and as a result, the loss for the year 2022/2023 had been overstated by that amount.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information contained in the 2022/2023 Annual Report of the Company

The other information means the information included in the 2022/2023 Annual Report of the Ceylon Shipping Corporation Ltd. that is expected to be made available to me after the date of this audit, but not included in the financial statements and my audit report in that respect. The management is responsible for this other information.

My opinion on the financial statements does not cover the other information and I, in any manner whatsoever, do not guarantee or make any statement on them.

My responsibility on the audit of the financial statements is to read the other information identified above when it becomes and, in doing so, to consider if such other information is materially inconsistent with the financial statements or the knowledge I gained during the course of the audit or otherwise.

When reading the 2022/2023 Annual Report of the Company, if I conclude that there are material misrepresentations, such matters should be communicated to the governing parties for correction. If there exist further uncorrected misrepresentations, they will be included in the report that will be tabled in due course in Parliament in terms of Article 154 (6) of the Constitution.

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

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Sri Lanka Accounting Standards, and for such internal

control as the 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 ability of the Company 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 parties charged with the governance are responsible for overseeing the financial reporting process of the Company.

As per sub section 16 (1) of the National Audit Act, No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective as a whole is to provide a reasonable assurance that the financial statements are free from substantial frauds and errors that occurred due to inaccurate false statements and to release the auditor's report along with my opinion. While fair assurance is a high-level guarantee, it may not always be an assurance that the auditing in accordance with Sri Lanka Audit Standards will always detect incorrect substantial errors. Frauds and errors are likely to result in substantial disclosures, either due to individual or collective effects, and the substantiality of it may depend on the impact of the economic decisions made by the users, based on these financial statements.

As part of an audit in keeping with the Sri Lanka Audit Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. And, I further,

- Designed and implemented audit procedures that are appropriate in the circumstances in identifying and assessing the risks of material misstatements that could result in the financial statements due to frauds and errors, in setting up a basis for the audit opinion that was expressed. The risk of not detecting a material misstatement resulting from fraud is more severe than that caused by the reasons such as material misstatements resulting from erroneous recording and collusion, preparation of forged documents, intentional omissions or the override of internal controls.

- Acquired an understanding on the 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 internal control.
- Evaluated the appropriateness of the accounting policies used, the reasonableness of the accounting estimates and the related disclosures made by the management.
- Concluded on the relevance of applying the going concern basis of the entity's sustainability for accounting purposes based on the audit evidence acquired as to whether there exists a material uncertainty on the sustainability of the Company due to events or conditions. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements and if such disclosures are inadequate, my opinion has to be modified. However, future events or conditions may cause the Company to cease to continue its existence as a going concern.
- Evaluated 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.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during the course of my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 The National Audit Act, No. 19 of 2018 and the Companies Act, No. 7 of 2007 include specific provisions for following requirements.

2.1.1 Except for the effects of the matters described in the Basis for Qualified Opinion section of my report, I have obtained all the information and explanations required for the audit and, as far as apparent from my examination, proper accounting records had been kept by the Company as per the requirement of section 163 (2) the Companies Act, No. 7 of 2007 and section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented by the Company are consistent with the preceding year as per the requirements of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented include all the recommendations made by me in the previous year, except the observations in the Basis for Qualified Opinion section of my report as per the requirement of section 6 (i) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the measures adopted and the evidence that was obtained and within the limitation confined to material considerations, nothing met with my attention as to make the following statements.

2.2.1 To state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company which is out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 To state that the Company, except for the following observations, has acted in a manner inconsistent with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018.

Reference to law / direction	Observations
(a) Para 11.1 of the Public Finance Circular No. 01/2020 dated 28 August 2020	Although the submission of the Annual Board of Survey report in relation to 31 March 2023 to the Auditor General should be made before the 30 th of June of the ensuing financial year, the Company had not completed the removal of 133 damaged goods and other tasks related to it even by the date of the audit.
(b) Public Finance Circular No. 03/2015 dated 14 July 2015	Although an Accounting Officer, when issuing advances, can grant an advance up to a maximum of Rs. 100,000 at a time only to officers at the staff level for any purpose of specific nature, advances up to the maximum of Rs. 500,000 had been given in contravention of the circular instructions.

- (c) Section 16.2 of the National Audit Act, No. 19 of 2018 and section 6.6 of the Operational Manuel of the Public Enterprises Circular No. 01/2021 dated 16 November 2021 Although the Company should submit the financial statements along with the draft Annual Report of the Auditor General within 60 days after the closure of the accounting year, the financial statements of the Company had been submitted to the audit on 16 August 2023 with a delay of more than two months.
- (d) Section 3.2 of the Operational Manuel of the Public Enterprises Circular No. 01/2021 dated 16 November 2021 The Company, during the year under review, had paid a sum totalling Rs. 15,209,673 for refreshment allowance, transport allowance and attendance incentive allowance without a formal approval.

2.2.3 To state that the Company, except for the following observations, has performed in a manner inconsistent with its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

- a) In pursuance of the Decision of the Cabinet of Ministers No. අමප/16/0035/737/003 dated 21 January 2016 and the provisions of the Public Finance Circular No. 415 dated 06 May 2005, all the government institutions should import goods through the Company and the Company should also give priority to the government institutions. However, in checking the number of institutions and the cases of transportation of cargo in the public sector during the period of 04 years from 01 April 2019 to 31 March 2023, it was obsrved that the number of istitutions and the cases of transportation of cargo were relatively on the decrease, details of which are given below:

Year	2019/20	2020/21	2021/22	2022/23
No. of Institutions	28	22	23	27
No. of Cases	2,357	1,925	1,300	821

- b) Although the strategic plans should have been drawn out in accordance with para 2.3 of the set of Guidelines of the Public Enterprises Circular No. 01/2021 dated 16 November 2021, the same had not been adhered to. The Board of

Directors had not taken steps to have the Five-Year Corporate Plan for the period ended in 2022/2023 from 2018/2019 updated, keeping it abreast with the changes in the business climate.

- c) 07 newly proposed business plans had been set out in para 4.2 of the Company's Corporate Plan for the period from 2018/2019 to 2022/2023. Of them, 05 activities were planned out to be accomplished within 05 years from 2018/2019 to 2022/2023, but those activities had not been achieved and no action had been pursued to identify new business opportunities either.
- d) The Company had not meaningfully established targets and performance indicators in the Annual Action Plan having regard to sources of income and, it, in setting up its targets for the year under review, had gone on to set easily achievable targets having them outlined with assessment of the performance thereon without paying heed to the planned-out targets of the previous year and the actual situation when setting Company projections. Apart from this, the Company had also included in the action plan the sources of income which are not generatable during the year when identifying such sources of income. The details thereon are as follows.

Source of Income	As per Action Plan		Actual Performance		Income Percentage (%)
	Income	Expenditure	Income	Expenditure	
Coal Transportation	3,128	2,675	-	-	
Income on Chartering	2,293	816	5,337	1,893	133%
Address Commission on Freight	72	-	-	-	
Address Commission on Lightering	472	-	314		-33%
Provision of Agency Services for coal supplying vessels	41		15		-63%
Carriage of parcels in Containers	564	496	760	611	35%
Clerence of cargo from the custom and their distribution	20	12	67	47	235%

- e) According to the provisions of the Public Finance Circular No. 415, Ceylon Shipping Corporation Ltd. should issue a notice of waiver only in case the Company fails to carry the import cargo in the most advantageous manner to the Government. Even though the Company, when the freight rates to be borne by it is higher than the freight agreed upon by the supplier, should inform the importer of the matter by a waiver notice, it had gone on to issue waiver notices in deviation of the circular requirements numbering 319 during the year 2019/20, 298 during the year 2020/21, 185 during the year 2021/22 and 118 during the year 2022/23 due to reasons such as requests of waiver made after shipments, emergency purchases and procurement being awarded on CIF rates and also, owing to other reasons.
- f) Even though the Company, as a fully government-owned entity, has been entrusted with the responsibility of increasing its profitability through the carriage of import cargo in the public sector, as well as capturing the state sector imports maneuvered by the foreign shipping lines to the Company on a competitive regime of freight rates, notices of waiver numbering 174, 163, 150 and 67 had been issued respectively during the period of 4 years from 2019/2020 to 2022/23 in view of the fact that the Company's freight carriage rates were higher than those of the suppliers engaged in the trade of cargo imports.
- g) The tasks of handling, packing, carriage and clearance of import and export luggage and effects belonging to the diplomatic officers of the Ministry of Foreign Affairs are carried out by the Ceylon Shipping Corporation Ltd. and, it came to light that the related price quotations are determined in accordance with the Ministry of External Affairs Director General's letter, FA/OAM & D/HD/CSC/GEN dated 25 January 2023, even though the Ceylon Shipping Corporation Ltd., being the provider of the related service, ought to be responsible in making decisions on such rates of prices concerned.

2.2.4 To state that the resources of the Company, except for the following observations, had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

- (a) On the 10th of November 2020, the Ceylon Shipping Corporation Ltd. and TERO MARINE ASIA PACIFIC PTE LTD had entered into an agreement for USD 102,800 for the purpose implementing a computer-based ship management system for the Company's ships over a period of 6 years. This system was planned out to be implemented in 03 phases during the first year and, even though a period of 3 years had elapsed after the system was installed for the 02 ships having spent Rs. 2,903,208 (USD 15,400) as advance money and Rs. 1,563,087 (USD 7,700) for the acceptance of the system design in a total amounting to Rs. 4,466,295, this computer system was not set to be operational and, the expenditure concerned had become an inactive outlay due to the failure on the part of the management to take action as to whether or not it would be made use of for the Company's future operations after having carried out a review thereon.
- (b) Due to reasons of non-submission of valid seaworthiness certificate or classification society certificate obtained from a member association of the International Federation of Classification Societies and the lack of significant responsiveness in the technical evaluation in accordance with the Technical Evaluation Committee Report on two (02) Boat Services selected after calling for bids for the purpose of providing multiple services to ships carrying coal to Puttalam Lakwijaya Power Station, the award of the respective contract had not been recommended. Moreover, during the physical inspection of the said boats by the Designated Person Ashore, it was confirmed that these two bidders had not met the criteria set out in the invitation of bids and there was a situation where only these two boat suppliers happened to be submitting bids from the year 2014/15 onwards to date and this procurement had been awarded on 21 September 2022 at the price quotations submitted by the two applicants in consideration of the exigency the service depending solely on the service trust reposed in these suppliers. In the year 2023/24 too, the procurement had been offered to both these same suppliers for this service and it was observed that there is an issue concerning the safety of the officers traveling in such boats due to the non-fulfillment of the bidding criteria related thereto, and that there looms a risk of claiming insurance benefits in case of an accident in view of these deficiencies.

2.3 Other Matters

- (a) According to the statement of financial position, the value of the trade debtors recoverable by Ceylon Shipping Corporation Ltd. as at 31 March 2023 is Rs. 2,070,761,878. Of it, balances of Rs. 1,034,044,153 were not recoverable for more than 4 years and out of such balances too, Rs. 257,530,960 remained unrecovered over a period of 1 to 4 years while the value of the trade debtors emerged during the year 2022/2023 was Rs. 779,186,765. It was also revealed that, from among the above trade debtors, the domestic government and semi-government institutions owed the company Rs. 1,525,359,729 of which too, Rs. 618,045,453 were debtors more than 03 years old, and that the balance stood to be recovered from the foreign and other trade debtors over a period of more than 03 years as of 31 March 2023 was Rs.163,752,420.
- (b) Following facts came to light in regard to the vessel, MV Ceylon Breeze meeting with an accident:
- i. Due to the collision of MV Ceylon Breeze with a fishing vessel at the port of Jiangyin, China in 2020, the total loss incurred by the Company had been approximately Rs. 16,999,188. The Company had to bear the above loss due to the deductible value of USD 100,000 in terms of the agreement related to the insurance cover of this ship was less than such value. Furthermore, the loss related to the collision of the ship once again with the ship, Leopold on 06 June 2021 in Singapore had not been computed even as of the date of this report.
 - ii. It was revealed that there was no action undertaken to conduct an inquiry with regard to the damage caused to the ship and identify the related parties responsible for it and that there was no report on such damage with comprehensive details thereof made to the Department of Public Finance as per para 2.3 of the Finance Circular No. 01/2020 dated 28 August 2020, in spite of the fact that the Company was required to do so.
- (c) Even though, in accordance with para 19 of the Coal Carriage Agreement reached between Lanka Coal (Private) Limited and Ceylon Shipping Corporation on 21 September 2021, all claims pertaining to delays/holdups payable to the Company should be paid within thirty (30) days after completion of the loading or discharge, the Company had not been able to recover the amounts involving 2 invoices of such claims to the value of Rs. 3,728,788 even by 14 August 2023.

W.P.C. Wickramaratna, Auditor General

CEYLON SHIPPING CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March

	Notes	2023 Rs.	2022 Rs.
Revenue	4	6,649,456,322	7,876,816,356
Direct Operational Expenses		(3,253,912,278)	(5,706,572,098)
Gross Profit		3,395,544,044	2,170,244,258
Other Income	5	835,579,200	471,548,197
Administration Expenses	40	(246,344,628)	(263,944,537)
Profit from Operations before Impairment of Assets		3,984,778,616	2,377,847,918
Impairment of Assets		(84,096,715)	(177,070,299)
Profit from Operations	6	3,900,681,901	2,200,777,619
Finance Expenses	7	(4,381,840,810)	(6,808,841,215)
Share of Profit of Associates - (Net of Tax)	14.2	47,553,798	40,277,522
Profit/(Loss) before Tax		(433,605,111)	(4,567,786,074)
Income Tax Income/(Expenses)	8	(191,305,299)	-
Profit/(Loss) for the Year after Income Tax		(624,910,410)	(4,567,786,074)
Deferred Tax Adjustment for the year.	17	(1,232,219,356)	(1,197,593,218)
Profit/(Loss) for the Year after Income Tax & Deferred Tax Adjustment		(1,857,129,766)	(5,765,379,292)
Basic and Diluted Earnings Per Share	9	(125)	(914)
Profit/(Loss) for the Year		(1,857,129,766)	(5,765,379,292)
Other Comprehensive Income			
Profit/(Loss) on Changes in Fair Value of Available-for-Sale Financial Assets	16.1	(7,989,951)	36,062,107
Profit/Loss Arising from Changes in Actuarial Assumptions	29.1	2,179,262	7,581,992
Disposal of Land		(3,065,444)	-
Revaluation of Land		241,863,000	-
Share of Other Comprehensive Income of Associates - (Net of Tax)	14.2	89,946,369	5,402,037
Total Comprehensive Income for the Year		(1,534,196,530)	(5,716,333,156)

The Accounting Policies and Notes on pages 6 to 40 form an integral part of the Financial Statements.



CEYLON SHIPPING CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION


As at 31st March

	Notes	2023 Rs.	2022 Rs.
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	10	9,290,839,316	8,868,252,162
Capital Work-in-Progress - Bulding	10.1	315,610	-
Capital Work-in-Progress - Vessels Dry Dock Work	11	-	119,621,698
Intangible Asset	12	-	-
Investment in Subsidiary	13	-	-
Investment in Associates	14	569,950,345	432,803,300
Available-for-Sale Financial Assets	16	47,693,210	55,683,161
Deferred Tax Asset	17	-	-
Total Non-Current Assets		9,908,798,481	9,476,360,322
Current Assets			
Inventories		470,903,927	310,846,104
Trade and Other Receivables	18	951,582,262	1,472,984,001
Statutory Receivables	19	8,486,749	8,481,465
Held to Maturity Investments	20	464,999,999	447,289,305
Short-Term Investments	21	26,268,205	25,533,587
Cash and Cash Equivalents	22	1,305,653,577	729,586,947
Total Current Assets		3,227,894,718	2,994,721,409
Total Assets		13,136,693,199	12,471,081,730
EQUITY AND LIABILITIES			
Equity			
Stated Capital	23	50,000,000	50,000,000
Contribution Against Equity Capital	24	543,939,497	543,939,497
Capital Reserve	25	767,029,766	767,029,766
Revaluation Reserve	26	241,863,000	3,065,444
Available-for-Sale Financial Assets Reserve		42,213,018	50,202,969
Retained Earnings		(10,855,139,608)	(9,328,463,864)
Total Equity		(9,210,094,328)	(7,914,226,189)
Non-Current Liabilities			
Long - Term Borrowings	28	16,111,945,799	16,032,891,614
Retirement Benefit Obligation - Gratuity	29	29,348,420	35,244,807
Deferred Tax Liability	17	2,237,360,024	1,005,140,668
Total Non-Current Liabilities		18,378,654,242	17,073,277,089
Current Liabilities			
Trade and Other Payables	30	1,792,767,053	1,555,707,720
Short Term Borrowing	31	1,862,180,167	1,657,034,724
Statutory Payables	32	266,576,020	70,699,752
Accrued Expenses	33	46,610,045	28,588,636
Total Current Liabilities		3,968,133,284	3,312,030,830
Total Equity and Liabilities		13,136,693,199	12,471,081,730

The Accounting Policies and Notes on pages 6 to 40 form an integral part of the Financial Statements.


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



Acting General Manager


Assistant General Manager-
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


Director


Director



CEYLON SHIPPING CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2023

	Stated Capital	Contribution Against Equity Capital	Capital Reserve	Revaluation Reserve	Available-for-Sale Financial Assets Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2021	50,000,000	543,939,497	767,029,766	3,065,444	14,140,862	(3,419,789,063)	(2,041,613,494)
Prior year Adjustment						(156,279,539)	(156,279,539)
Profit for the year	-	-	-	-	-	(5,765,379,292)	(5,765,379,292)
Other comprehensive income	-	-	-	-	36,062,107	12,984,029	49,046,136
Balance as at 31st March 2022	50,000,000	543,939,497	767,029,766	3,065,444	50,202,969	(9,328,463,864)	(7,914,226,190)
Prior year Adjustment						238,328,391	238,328,391
Loss for the year	-	-	-	-	-	(1,857,129,766)	(1,857,129,766)
Disposal of Land				(3,065,444.00)		(3,065,444)	(3,065,444)
Revaluation Of Land				241,863,000.00			241,863,000
Other comprehensive income	-	-	-	-	(7,989,951)	92,125,631	84,135,680
Balance as at 31st March 2023	50,000,000	543,939,497	767,029,766	241,863,000	42,213,018	(10,855,139,608)	(9,210,094,328)

The Accounting Policies and Notes on pages 6 to 40 form an integral part of the Financial Statements.



CEYLON SHIPPING CORPORATION LIMITED
STATEMENT OF CASH FLOWS

For the year ended 31st March

	2023 Rs.	2022 Rs.
Cash flows from operating activities		
Profit/(loss) before tax	(433,605,111)	(4,567,786,074)
Adjustments for:		
Depreciation	438,441,316	420,194,198
Profit/loss on disposals of fixed assets	-	-
Provision for gratuity	5,892,015	4,990,179
Dividend income	(142,606)	-
Share of profit of associates - (net of tax)	(47,553,798)	(40,277,522)
Provision for impairment of trade debtors	84,096,715	177,070,299
Provision for income Tax	(191,305,299)	-
Exchange Loss /(Gain)	1,580,013,648	5,626,477,113
Prior year Adjustment	(43,328,774)	(156,279,539)
Write off a bad debt	-	(15,013,046)
Provision for insurance receivable	-	(81,790,947)
Interest income	(172,649,328)	(45,379,467)
Interest expense	1,569,949,481	727,535,758
Operating profit before working capital changes	2,789,808,261	2,049,740,953
(Increase)/Decrease in inventories	(160,057,823)	(50,188,062)
(Increase)/Decrease in trade and other receivables	521,401,740	(489,526,366)
Increase/(Decrease) in trade and other payables	237,059,333	723,729,212
(Increase)/Decrease in statutory receivables	(5,284)	2,124,686
Increase/(Decrease) in statutory payables	195,876,268	(1,870,408)
Increase/(Decrease) in accrued expenses	18,021,410	(620,131)
Cash generated from operations	3,602,103,905	2,233,389,884
Gratuity paid	(9,609,140)	(2,569,705)
Interest paid	(736,111,518)	(689,860,773)
Taxes paid	-	-
Net cash from operating activities	2,856,383,247	1,540,959,405
Cash flows from investing activities		
Purchase of fixed assets	(23,799,142)	(44,312,659)
Payments for vessels Dry Dock cost	(319,252,224)	(119,621,698)
Capital Work-in-Progress - Bulding	(315,610)	-
Proceeds from disposals of fixed assets	-	-
Net Proceeds from/(investment) in held-to-maturity financial assets	(17,710,694)	(326,673,409)
Net investment in short-term investments	(734,618)	(693,978)
Interest received	173,074,704	44,764,963
Dividend received	495,728	353,122
Net cash used in investing activities	(188,241,856)	(446,183,657)
Cash flow from financing activity		
Vessel loan repayment	(2,092,074,761)	(1,213,855,701)
Net cash from financing activity	(2,092,074,761)	(1,213,855,701)
Net increase in cash and cash equivalents	576,066,630	(119,079,953)
Cash and cash equivalents at the beginning of the year	729,586,947	848,666,900
Cash and cash equivalents at the end of the year	1,305,653,577	729,586,947

Note 22

The Accounting Policies and Notes on pages 6 to 40 form an integral part of the Financial Statements.



CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Accounting policies and explanatory notes to the Financial Statements for the year ended March 31, 2023

1. GENERAL INFORMATION

1.1 Domicile and Legal Form

The Ceylon Shipping Corporation (CSC) established under the Ceylon Shipping Corporation Act No.11 of 1971 and incorporated under registration No.(PBS/CGB)121 from 01st June 1992 under the Companies Act No.17 of 1982.

The Ceylon Shipping Corporation Ltd (CSCL) re-registered under registration No.PB227 from 10th March 2008 under the New Companies Act No.07 of 2007 and having its registered office and the principal place of business of the company is situated at MICH Building, No.27, Sir Razik Fareed Mawatha, Colombo 01.

1.2 Principal Activity and Nature of Operations

During the year, the principal activities of the company were providing management services in relation to shipping and ships owning, chartering of vessels and Non Vessels Operation Common Carrier (NVOCC) and logistics.

There were no any significant changes in the nature of the principal activities of the company during the financial year under review.

1.3 Number of Employees

Total number of employees of the Company as at March 31, 2023 was 106 (March 31, 2022-117).

1.4 Reporting Date

The Company's financial reporting period ends on March 31 and the financial reporting period of the associate companies ends on 31st December. The Company adjusts significant transactions and events, if any that occur between the Company's end of the reporting period and the reporting period end of the associate companies.

1.5 Approval of Financial Statements

These financial statements were approved by the Board of Directors and authorized for issue on 14th August 2023.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statement of the Company, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by The Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act, No. 7 of 2007.

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2.2 Basis of Measurement

The Financial Statements of the Company are prepared under the historical cost convention except for quoted investments designated as available-for-sale financial assets that have been measured at fair value and the revaluation of land. Adjustments have not been made for inflationary factors affecting the financial statements.

2.3 Comparative Figures

The financial statements provide comparative information in respect of the previous period. The Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

2.4 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency) and rounded to the nearest rupee value.

These financial statements are presented in Sri Lankan Rupees (Rs.) which is the Company's functional and presentation currency.

2.5 Use of Estimates and Judgments

The preparation of financial statements in conformity with the SLFRSs and LKASs requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.6 Materiality and Aggregation

Each material class of similar item is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.7 Going Concern

The financial statements have been prepared on a going concern basis. The company has incurred a net loss of Rs. 1,857.12 million (31st March 2022 Rs.5, 765.37million) for the year ended 31st March 2023. As at balance sheet date Net Assets value of the company has surpassed the Stated Capital (SLRS 50million.) of the company and there is a serious loss of capital situation, as at reporting date the company's net assets show a negative figure of Rs.9,210,094,328 (2021/2022 - Rs. 7,914,226,190 negative).The above financial results is mainly due to;

- High interest component being paid for vessel's loan
- Depreciation of the two vessels charged for the Statement of Comprehensive Income

CEYLON SHIPPING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

- Extraordinary exchange losses charged to the Statement of Comprehensive Income for the reason of depreciation the Sri Lanka Rupees against the United States of Dollar
- Net Losses After Tax arises since the year 2016/17 to 2022/23

Although, the above mentioned factors may create significant uncertainty regarding CSC ability to continue as a going concern, however the company's ability to continue as a going concern and do not intend either to liquidate or to cease trading based on the following mitigating factors.

- CSC is a fully Government owned business entity and also ships loans amounting to US\$ 71,910,464,32 have been granted with the Treasury Guarantee which will be continue till 03rd of June 2034.
- The Company has not defaulted on the loan capital and interest due to the Bank and Bank has continued to receive full interest and capital instalment as they fall due.
- The scrapping of old vessels and reduction in construction of new vessels will normalized the imbalance of the supply and demand, which has resulted in a positive turn in the shipping market since 2022/2023.
- CSC has obtained conditional report vessels which states that "the vessels were in general, in a good and well maintained conditioned and all equipment was found in a good and workable condition, as the vessels is well equipped with engine as well as other machinery of well-known and reliable European manufactures, which have shown good records of reliability, and all the equipment was found in a good workable condition. It was concluded that assumed technical life time of 19 years could be reached by these vessels". This indicates that the vessels have been managed professionally and efficiently by the company with high standards of technical efficiently. Furthermore this indicates that the vessels will have the expected lifespan.
- We are confident that the strong relationship existing between the Peoples Bank of Sri Lanka and the main shareholder Public Enterprises of Sri Lanka, Both under Treasury will help resolve any issues in a positive manner.
- The Commercial management agreement between the CSC and M/s Wallem Shipping (Singapore) Pte. Ltd. (Commercial) have been entered for the purpose of international charter to CSC vessels named M.V Ceylon Breeze and M.V. Ceylon Princes for two years period. Therefore, cash flow will allow to service of the loan installment as they fall due.
- Continues control on operational and administrative costs has made positive impact to the CSC.
- The company will continue to follow developments in the shipping industry, with a view to capitalizing on any new opportunities emerging in the market.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements prepared by the Company in accordance with the SLFRSs and LKASs issued by The Institute of Chartered Accountants of Sri Lanka. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

3.1 Foreign Currency Transactions/Translation

Transactions in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of statement of financial position are translated to Sri Lankan Rupees at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

historical cost, are translated to Sri Lankan Rupees at the foreign exchange rate ruling at the date of the transaction.

3.2 Statement of Profit or Loss and Other Comprehensive Income

For the purpose of presentation of the Statement of Profit or Loss and Other Comprehensive Income the function of expenses method is adopted, as it represents fairly the elements of the Company performance

3.2.1 Revenue

The Company's revenue comprises of voyage income, freight income from own vessels, charter hire income from own vessels, charter hire income from coal vessels, clearing and forwarding income and agency and address commission.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In determining the transaction price for the revenue contracts, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration to the customer (if any).

SLFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The following specific recognition criteria must also be met before revenue is recognized;

(a) Voyage Income

Revenue arises from cargo handling and transport services is recognized in the period in which the services are rendered based on completion of services and assessed on the basis of the actual services rendered and when the entity satisfies a performance obligation by transferring a promised goods or services to the customer.

(b) Charter Hire Income

Spot charter arrangements

The Company's spot charter arrangements are for single voyages for the service of the transportation of cargo that are generally short in duration and the Company is responsible for all costs incurred during the voyage, which include bunkers and port/canal fees, as well as general vessel operating costs. Accordingly, under spot charter arrangements, key operating decisions and the economic benefits associated with a vessel's use during the charter period reside with the Company.

The Company applies revenue recognition guidance in accordance with the SLFRS 15, the entity can identify each party's rights regarding the goods or services to be transferred and the entity can identify the payment terms for the goods or services to be transferred.

The consideration that the Company expects to be entitled to receive in exchange for its transportation services is recognized as revenue ratably over the duration of a voyage on a load-

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

to-discharge basis (i.e. from when cargo is loaded at the port to when it is discharged after the completion of the voyage).

Time charter arrangements

The Company's time charter arrangements are for a specified period of time and key decisions concerning the use of the vessel during the duration of the time charter period reside with the charterer. In time charter arrangements, the Company is responsible for the crewing, maintenance and insurance of the vessel, and the charterer is generally responsible for voyage specific costs, which typically include bunkers and port/canal costs.

As the charterer holds sufficient latitude in its rights to determine how and when the vessel is used on voyages and the charterer is also responsible for costs incurred during the voyage, the charterer derives the economic benefits from the use of the vessel, as control over the use of the vessel is transferred to the charterer during the specified time charter period. Accordingly, revenue for time charters is recognized on a straight-line basis ratably over the term of the charter.

(c) Logistics/Clearing and Forwarding Income

Total logistics solution concept which is considered job completion date that the cargo delivery date up to the nominated place. Revenue is recognized on completion of services and assessed on the basis of the actual services rendered and when the entity satisfies a performance obligation by transferring promised goods to the customer.

(d) Agency and Address Commission

Agency fee is recognized as revenue in the period in which the services are rendered based on completion of services.

(e) Interest

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR) method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Statement of Profit or Loss.

(f) Gains and Losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for profit and loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

(g) Other Income

Other income is recognized on an accrual basis.

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(h) Dividend Income

Dividend income is recognized when the right to receive payment is established.

3.2.2 Expenditure Recognition

All 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 revenue in arriving at the profit or loss for the year.

Finance Costs

Finance cost mainly comprises of interest expenses on borrowings and exchange losses on borrowings. Borrowing costs and exchange losses that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in Statement of Profit or Loss using the effective interest method.

3.3 Income Tax Expense

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except that a change attributable to an item of income or expense recognized as other comprehensive income is also recognized directly in other comprehensive income.

(a) Current Income Taxes

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Company's liability to tax has been computed in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017 and the subsequent amendments thereto.

(b) Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The carrying amount of deferred tax is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

ASSETS AND BASES OF VALUATION

Assets classified as current assets in the statement of financial position are cash and those which are expected to be realized in cash during the normal operating cycle of the Company's business or within one year from the reporting date whichever is shorter. Assets other than current assets are those which the Company intends to hold beyond a period of one year from the date of financial position.

3.4 Property, Plant and Equipment

(a) Initial Recognition and Basis of Measurement

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses except the land which was carried at revalued amount in the statement of financial position. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost of self-constructed assets includes the cost of materials and direct labour.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

(b) Subsequent Expenditure

The Company adds to the carrying amount of an item of property, plant and equipment, the cost of replacing parts of such an item, when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

(c) Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal; or when no future economic benefits are expected from its use. Gains and losses on derecognition are recognized in profit and loss and gains are not classified as revenue.

(d) Depreciation

Land is not depreciated. Depreciation is charged to the profit or loss so as to allocate the cost of assets less their residual value over the estimated useful lives of other items of property, plant and

Equipment, using the straight-line method. Estimated useful lives of assets are as follows:

Assets	Years
Buildings	20
Vessels	25
Motor Vehicle	25
Furniture & Fittings & Office Equipment	10
Computers	05

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

The cost of periodic dry-docking of vessels are capitalized and depreciated over the period to the next dry-docking date. When significant dry docking costs are incurred prior to the expiry of the depreciation period, the remaining costs of the previous dry-docking are written off in the month of subsequent dry-docking.

Dry-docking 5 Years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

(e) Useful Life Time of the property Plant and Equipment

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date, and it has been adjusted in accordance with the paragraph 51 of LKAS 16. Judgment of the management is exercised in the estimation of these values, rates methods and hence they are subject to uncertainty.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognized in profit or loss, and included in 'other income' or 'other operating expenses'.

(f) Impairment of Vessels

The carrying amounts of the vessels of the entity are tested for impairment every year

In assessing the value in use of the vessel, the entity has made assumptions about future charter hire rates, Ship operating expenses, and the estimated remaining useful life and the residual values of the vessel. The assumptions are based on historical and cyclical trends as well as future expectations. The management believes that the assumptions used to evaluate potential Impairment are reasonable and appropriate, however, such assumption are highly subjective.

In assessing the fair value less cost to sell value of the vessels, the Management has obtained an independent valuation from a professional valuer based on the market value as at 31st March 2023. The management is of the opinion that the value of the vessels has not significantly changed as at the reporting date.

3.5 Intangible Asset

Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software and systems. Intangible assets acquired are stated at cost less accumulated amortization and accumulated impairment losses. These costs are amortized over their estimated useful lives, as follows:

Computer Software

05 Years

Costs associated with maintaining computer software are recognized as an expense as incurred.

3.6 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

extent that they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized as part of the cost of that asset.

3.7 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term deposits less than three months, 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 in 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.

3.8 Impairment of Non-Financial Assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3.9 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Inventories comprise of consumables. The cost incurred in bringing inventories to its present location and conditions are accounted at purchase cost on First in First Out basis (FIFO).

Net realisable value is the price at which the 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.

3.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

3.10.1 Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

CEYLON SHIPPING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the entity has applied the practical expedient, the entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

3.10.2 Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Majority of the financial assets of the Company represent financial assets at amortized cost (debt instruments). Prior to the adoption of SLFRS 9, financial assets at the amortized cost were classified as loans and receivables. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The entity's financial assets at amortized cost include cash and cash equivalents, trade and other receivables and other financial assets. Financial assets at fair value through profit or loss are carried in

CEYLON SHIPPING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes listed equity investments which the entity had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established

3.10.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e.: removed from the entity's financial position) when:

The rights to receive cash flows from the asset have expired

Or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- (a) The Company has transferred substantially all the risks and rewards of the asset, or
- (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.10.4 Impairment of financial assets

The Entity recognizes an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the requirement for impairment is analyzed at each reporting date on an individual basis for all customers. All individually significant customers are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

3.10.5 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, interest bearing loans and borrowings including bank overdrafts.

Company does not have financial liabilities at fair values through profit and loss and derivative financial instruments.

(b) Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Comprehensive Income. This category generally applies to interest-bearing loans and borrowings

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

3.10.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if,

- There is a currently enforceable legal right to offset the recognized amounts and

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

- There is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously

3.10.7 Fair Value Measurements

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the entity. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the entity determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained below 3.10.8 Non-current assets held for sale.

3.10.8 Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

CEYLON SHIPPING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

3.11 Government Grants

Grants from the government including non-monetary grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to property, plant and equipment are included in non current liabilities as deferred government grants and are recognized in the statement of comprehensive income on a straight- line basis over the expected lives of the related assets.

Non-monetary grants are measured at carrying value of the non-monetary asset and account for both grant and asset at the carrying value.

LIABILITIES AND PROVISIONS

Liabilities classified as current liabilities on the statement of financial position are those which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

All known liabilities have been accounted for in preparing these financial statements. Provisions and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.12 Retirement Benefit Costs

The Company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually depend on one or more factors such as age, years of service and compensation.

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

**(a) Defined Contribution Plans - Employees' Provident Fund (EPF) and
- Employees' Trust Fund (ETF)**

All employees who are eligible for Employees' Provident Fund and Employees' Trust Fund contributions are covered by relevant contribution funds in line with respective statutes and regulations.

(b) Defined Benefit Plans - Retirement Gratuity

The liability recognized in the statement of financial position in respect of retirement gratuity is the present value of gratuity obligation at the reporting date. Gratuity obligations are measured using projected unit credit method (PUC) calculated using the gratuity formula recommended by LKAS 19 – "Employee benefits."

According to the Payment of Gratuity Act, No. 12 of 1983, the Company is liable to pay gratuity only to retiring employees who have completed five years of continuous service.

Actuarial gains/losses are recognized in other comprehensive income in the period those occurred.

The gratuity liability is not externally funded.

3.13 Contingencies and Capital Commitments

All material capital commitments and contingencies, which exist as at the reporting date, are disclosed in the respective notes to the financial statements.

3.14 Related Party Transactions

Disclosures have been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating decisions/policies irrespective of a price being charged.

3.15 Earnings per Share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.16 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "indirect method". Finance costs paid is classified as an operating cash flow. Loan Repayments and Proceeds have been classified as financing cash flows. Cash and Cash in hand and bank and short term deposits with a maturity of three months or less in the Statement of Financial Position comprise cash at banks and cash on hand and short term deposits.

3.17 New and amended standards and interpretations

The standards and interpretation that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

SLFRS 17 - Insurance Contracts

In 8 January 2020, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued SLFRS 17 Insurance Contracts (SLFRS 17). SLFRS 17 was amended by Amendments to SLFRS 17 - Insurance Contracts, in 28 June 2021. SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted; provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17. The Group does not expect to have a significant impact on the Group's financial statements on the adoption of this standard.

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March

	Notes	2023 Rs.	2022 Rs.
4 Revenue			
Voyage		878,675,085	1,802,122,355
Freight Income Own Vessel		-	439,788,449
Charter hire income from own vsl		5,336,832,861	2,978,237,896
Charter hire income from coal vessel		-	2,246,567,897
Clearing and forwarding		70,529,749	18,165,709
Agency and address commission		363,418,627	391,934,051
		<u>6,649,456,322</u>	<u>7,876,816,356</u>
5 Other Income			
Profit on disposals of fixed assets		-	-
Dividend		142,606	-
Exchange gain		421,233,863	356,654,971
Interest income - Fixed deposits and treasury bills		172,649,328	45,379,467
Interest income - Staff loans		1,476,204	1,642,484
Demurrage recoveries own vessel		-	4,064,850
Documentation Charges recoveries		2,310,470	3,541,235
Others		237,766,729	60,265,190
		<u>835,579,200</u>	<u>471,548,197</u>
6 Profit/(Loss) from Operations			
Profit/(loss) from operations is stated after charging all the operational expenses including the following.			
Auditor's remuneration		810,000	760,000
Depreciation		438,441,316	420,194,198
Professional and legal fees		1,708,246	584,905
Staff costs (Note: 6.1)		162,388,788	153,924,140
6.1 Staff Costs			
Directors' remuneration		488,500	596,050
Salaries and wages		142,576,803	140,610,298
Staff Training		213,250	175,433
Defined contribution plan costs - Employees' Provident Fund and			
Defined contribution plan costs - Employees' Trust Fund		15,277,851	15,134,172
Defined contribution plan costs - W.N.O.P.		119,631	-
Defined benefit plan cost - Retiring Gratuity		3,712,753	(2,591,813)
		<u>162,388,788</u>	<u>153,924,140</u>
7 Finance Expenses			
Finance Expense			
Interest expense - Vessel loan		(1,569,949,481)	(727,535,758)
Exchange Loss		(2,811,891,329)	(6,081,305,456)
		<u>(4,381,840,810)</u>	<u>(6,808,841,215)</u>
8 Income Tax Income/(Expenses)			
Tax on ordinary activities	8.1	191,305,299	-
Reversal of deferred tax asset	17	1,232,219,356	1,197,593,218
		<u>1,423,524,655</u>	<u>1,197,593,218</u>

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March

	Note	2023 Rs.	2022 Rs.
8.1 Reconciliation between Taxable Profit and Accounting Profit			
Accounting profit before tax		(433,605,111)	(4,567,786,074)
Less: Share of profit of associates - (net of tax)		(47,553,798)	(40,277,522)
		<u>(481,158,909)</u>	<u>(4,608,063,596)</u>
Aggregated disallowable items		4,826,429,966	7,234,195,429
Aggregated allowable items		(88,386,647)	(29,963,768)
Impairment provisions for debtor impairments		84,096,715	177,070,299
Income not subject to tax		<u>(174,268,138)</u>	<u>(47,021,951)</u>
Assessable Income From Business		4,166,712,987	2,726,216,413
Assessable Income From Investment		174,478,654	47,375,073
Add: Other income liable for tax-interest income		-	-
Total statutory income/assessable income		<u>4,341,191,641</u>	<u>2,773,591,486</u>
Tax Loss B/F		<u>(3,632,522,709)</u>	<u>(6,406,114,195)</u>
Taxable Income /(Loss)		<u>708,668,932</u>	<u>(3,632,522,709)</u>
Taxable Income liable for Dividend @ 14%(Rs.353,122@14%)		49,437	-
Taxable liability @ 24%		84,955,522	-
Taxable liability @ 30%		<u>106,300,340</u>	<u>-</u>
Current tax on ordinary activities for the year	8	<u>191,305,299</u>	<u>-</u>

9 Basic and Diluted Earnings Per Share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the equity holders by the weighted average number of ordinary shares in issue during the reporting period.

Amount used as the numerators

Net profit attributable to equity holders (Rs.)	(624,910,410)	(4,567,786,074)
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Amount used as the denominator

Weighted average number of shares in issue	5,000,000	5,000,000
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Basic and Diluted Earnings Per Share (Rs.)	<u>(124.98)</u>	<u>(913.56)</u>
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Basic and Diluted Earnings Per Share

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the equity holders by the weighted average number of ordinary shares in issue during the reporting period.

Amount used as the numerator

Net profit/(loss) attributable to equity holders (Rs.)	(624,910,410)	(4,567,786,074)
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CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2023

10 Property, Plant and Equipment

	Lands	Housing Project	Buildings	Vessel	DRY- DOCK WORK	Motor Vehicles	Furniture and Fittings & Equipment	Computers	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost/Valuation									
Balance as at 1st April 2022	4,000,000	1,286,340	43,390	11,235,780,363	41,296,844	37,002,095	21,561,616	25,743,121	11,366,713,769
Additions during the year	10,337,000	-	-	-	-	-	11,778,792	1,683,350	23,799,142
Transferred from Dry-Dock Work during the year	-	-	-	-	319,252,224	-	-	-	319,252,224
Disposals during the year	(4,000,000)	(1,286,340)	-	-	-	-	(256,720)	-	(5,543,060)
Revaluation	241,863,000	-	-	-	-	-	-	-	241,863,000
Transferred during the year	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2023	252,200,000	-	43,390	11,235,780,363	360,549,068	37,002,095	33,083,688	27,426,471	11,946,085,075
Accumulated Depreciation									
Balance as at 1st April 2022	-	1,269,688	43,390	2,418,267,846	7,082,692	35,215,862	14,934,553	21,647,576	2,498,461,607
System error Correction	-	-	-	-	-	-	5,737	-	5,737
Depreciation review Adjustment	-	-	-	(256,884,612)	-	(23,245,147)	-	-	(280,129,760)
Charge for the year	-	7,587	-	364,809,737	68,786,092	1,479,637	1,769,888	1,588,375	438,441,316
Adjustments	-	-	-	-	-	-	-	-	-
On disposals	-	(1,277,275)	-	-	-	-	(255,868)	-	(1,533,143)
On transferred	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2023	-	-	43,390	2,526,192,971	75,868,784	13,450,351	16,454,311	23,235,951	2,655,245,757
Net Book Value									
							Notes	2023 Rs.	2022 Rs.
Land								252,200,000	4,000,000
Housing project								-	16,652
Buildings								-	-
Vessels								8,709,587,392	8,817,512,517
Dock work								284,680,283	34,214,152
Motor vehicles								23,551,743	1,786,233
Furniture and fittings								16,629,377	6,627,063
Office equipment and computers								4,190,520	4,095,545
								9,290,839,316	8,868,252,162
							10.2	9,290,839,316	8,868,252,162

According to the decision taken by the management, the Land and the Building situated at 18th Lane, Off Aluth Mawath were written off from the book since we did not own of the assets

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

<i>As at 31st March</i>		2023 Rs.	2022 Rs.
	Notes		
10.1 Capital Work-in-Progress - Buildings			
Balance at the beginning of the year		-	-
Additions during the year		315,610	
Balance at the end of the year		315,610	-
10.2 Carrying Value of Fixed Assets			
At cost		9,038,639,316	8,864,252,162
At valuation		252,200,000	4,000,000
	10	9,290,839,316	8,868,252,162
11 Capital Work-in-Progress - Vessels Dry-Dock Work			
	MV Ceylon Breeze Rs.	MV Ceylon Prince Rs.	Total Rs.
Cost			
Balance as at 1st April 2022	-	119,621,698	119,621,698
Additions during the year	-	199,630,526	199,630,526
Borrowing costs	-	-	-
Transfer to Property, Plant and Equipment	-	(319,252,224)	(319,252,224)
Balance as at 31st March 2023	-	-	-
<i>As at 31st March</i>		2023 Rs.	2022 Rs.
12 Intangible Asset			
Computer Software			
Cost			
Balance at the beginning of the year		6,144,497	6,144,497
Balance at the end of the year		6,144,497	6,144,497
Accumulated Amortization			
Balance at the beginning of the year		6,144,497	6,144,497
Balance at the end of the year		6,144,497	6,144,497
Written Down Value as at 31st March		-	-

The cost of the software package has already amortized over their estimated useful lives. As well accounting software package was not compatible and user-friendly to cater the requirement of the company. Therefore, both CSC and the supplier dropdown at the time they fixed it for us as of no cost no liability basis. Further the supplier has not provided after sales licencing services.

Therefore, we have planned to purchase a user-friendly new software package for CSC and already appointed TEC for this. Accordingly, CSC management has not recommended for any revaluation for computer software without value for the company

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

2023
Rs.

2022
Rs.

13 Investment in Subsidiary

	No. of Shares	Percentage of Holding		
Ceylon Shipping Agency (Private) Limited	9,999	100%	-	-
Provision for impairment			-	-
			<u>-</u>	<u>-</u>

The Company has not consolidated the Financial Statements of the subsidiary in compliance with the decision taken by the Board of Directors meeting held on March 20, 2006 as intended to cease its business operation due to many reasons. Subsequently Board decided to wind up the subsidiary and it was wound up under the supervision of Commercial High Court of Colombo, under reference to the case No.HC(Civil)56/2013/CO), Company , Ceylon Shipping Agency (Pvt) Ltd. Registered under N (PVS) 6037 has been dissolved w.e.f. 28/07/2016 under Gazette Notification dated 02/09/2016 and it is no longer in existence where the name of the Company has also been struck off from the name registry of the Registrar of Companies.

14 Investment in Associates

Carrying Value on Equity Method

Ceylon Shipping Lines (Private) Limited	362,388,988	330,963,192
Ceylon Shipping Agency (Pte) Ltd - Singapore	207,561,357	101,840,108
	<u>569,950,345</u>	<u>432,803,300</u>

14.1 Investment in Associates

Cost

	No of Shares	Percentage of Holding		
Ceylon Shipping Lines (Private) Limited	156,942	39%	1,569,420	1,569,420
Ceylon Shipping Agency (Pte) Ltd - Singapore	24,500	49%	143,622	143,622
			<u>1,713,042</u>	<u>1,713,042</u>

14.2 Movement of Investment in Associates on Equity Method

Investor's Share of Net Assets

Balance at the beginning of the year	432,803,300	387,476,863
Share of profit of associates - (net of tax) (14.2)	47,553,798	40,277,522
Share of other comprehensive income of associates - (net of tax)	89,946,369	5,402,037
Dividend income	(353,122)	(353,122)
Balance at the end of the year	<u>569,950,345</u>	<u>432,803,300</u>

14.3 Summarized Financial Information of Associates

	Ceylon Shipping Agency (Pte) Ltd - Singapore		Ceylon Shipping Lines (Private) Limited	
As at 31st December	2022	2021	2022	2021
Total assets	1,076,333,373	453,459,584	1,255,044,353	1,038,018,572
Total liabilities	645,276,426	238,160,289	279,230,220	142,481,558
Net assets	431,056,947	215,299,295	975,814,133	895,537,013
Revenue	2,224,810,359	1,733,064,950	761,106,290	469,278,941
Operating expenses	2,193,896,688	1,705,446,443	739,294,337	447,552,799
Other income	1,046,074	1,585,641	19,654,124	27,588,477
Profit for the year	29,755,333	26,287,078	84,547,911	65,777,083
Other comprehensive Income for the year	186,002,319	9,708,333	(3,063,504)	1,653,728

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

Notes	2023 Rs.	2022 Rs.
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15 Financial Instruments

Categories of Financial Assets and Financial Liabilities

The carrying value of the financial assets and liabilities reported in the statement of financial position are as follows;

The Carrying Values of Financial Assets and Liabilities

15.1 Financial Assets

15.1.1 Available-for-Sale

Quoted investment	16.1	45,316,140	53,306,091
Unquoted investments	16.2	2,377,070	2,377,070
		<u>47,693,210</u>	<u>55,683,161</u>

Quoted investment is measured at fair value based on active market quoted prices. Unquoted investments are measured at cost less provision for impairment as their fair value can not be reliably measured.

15.1.2 Held to Maturity Investments

Investment in treasury bills	20	<u>464,999,999</u>	<u>447,289,305</u>
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Held to maturity investments are measured inclusive of interest receivable.

15.1.3 Loans and Receivables

Trade and other receivables	18	951,582,262	1,472,984,001
Short-term investments	21	26,268,205	25,533,587
Cash and cash equivalents	22	<u>1,305,653,577</u>	<u>729,586,947</u>
		<u>2,283,504,043</u>	<u>2,228,104,535</u>

Loans and receivables are stated at their carrying value as their carrying value approximates the fair value.

Total Financial Assets		<u><u>2,796,197,252</u></u>	<u><u>2,731,077,001</u></u>
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15.2 Financial Liabilities

Trade and other payables	30	<u>1,792,767,053</u>	<u>1,555,707,720</u>
Total Financial Liabilities		<u><u>1,792,767,053</u></u>	<u><u>1,555,707,720</u></u>

Financial liabilities are stated at their carrying value as their carrying value approximates the fair value.

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

	Notes	2023 Rs.	2022 Rs.
16 Available-for-Sale Financial Assets			
Quoted investment	16.1	45,316,140	53,306,091
Unquoted investments	16.2	2,377,070	2,377,070
		<u>47,693,210</u>	<u>55,683,161</u>

16.1 Quoted Investment

Balance at the beginning of the year		53,306,091	17,243,984
Profit/(Loss) on changes in fair value		(7,989,951)	36,062,107
Balance at the end of the year	16	<u>45,316,140</u>	<u>53,306,091</u>

	No. of Shares	2023		2022	
		Cost Rs.	Market Value Rs.	Cost Rs.	Market Value Rs.
Mercantile Shipping Company PLC	238,506	<u>2,068,800</u>	<u>45,316,140</u>	<u>2,068,800</u>	<u>53,306,091</u>

16.2 Unquoted Investments

Unquoted investments are stated at cost less impairment losses as their fair value can not be reliably measured.

	Notes	2023 Rs.	2022 Rs.
	No. of Shares		
Associate News Papers of Ceylon Limited	31,206	312,060	312,060
Ceylon Port Services Limited	5,000	50,000	50,000
Sri Lanka Port Management and Consultancy Ltd	1,501	15,010	15,010
Lanka Coal Company (Private) Limited	200,000	2,000,000	2,000,000
	16	<u>2,377,070</u>	<u>2,377,070</u>

17 Deferred Tax Asset/(Liability)

Balance at the beginning of the year		(1,005,140,668)	192,452,549
Reversal during the year		-	-
During the year		<u>(1,232,219,356)</u>	<u>(1,197,593,218)</u>
Balance at the end of the year	17.1	<u>(2,237,360,024)</u>	<u>(1,005,140,668)</u>

Deferred tax is recognised for temporary differences between the carrying amount of assets and liabilities and tax base of assets and liabilities. Deferred tax has been measured by the effective tax rate of 30%.

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

	Notes	2023 Rs.	2022 Rs.
17.1 The Analysis of Deferred Tax Asset and Liability			
Deferred Tax Liability			
From accelerating depreciation		(2,623,018,555)	(2,117,506,773)
		<u>(2,623,018,555)</u>	<u>(2,117,506,773)</u>
Deferred Tax Asset			
From Tax Loss		-	822,607,358
Provision for impairment		376,854,005	281,299,993
From retirement benefit obligation		8,804,526	8,458,754
		<u>385,658,531</u>	<u>1,112,366,105</u>
	17	<u>(2,237,360,024)</u>	<u>(1,005,140,668)</u>

Deferred tax asset is recognized for provision for retirement benefit obligation and tax loss to the extent that the realization of the related tax benefits through future taxable profits/loss are probable and deferred tax liabilities are recognized for accelerating depreciation and revaluation surplus.

18 Trade and Other Receivables

Trade receivables	18.1	823,789,516	1,288,730,656
Deposits and advances	18.2	16,099,543	15,388,654
Staff receivables	18.3	47,665,131	45,351,301
Other receivables	18.4	64,028,070	123,513,390
		<u>951,582,262</u>	<u>1,472,984,001</u>

18.1 Trade Receivables

Trade receivables	2,070,761,878	2,460,530,760
Trade Control A/C (Local)	8,924,457	-
Coal Transaction Control A/C	283,199	283,199
Provision for impairment	(1,256,180,018)	(1,172,083,303)
	<u>823,789,516</u>	<u>1,288,730,656</u>

Trade receivables comprise the following receivables from related parties.

Receivables from Related Parties

Government Institutions	328,159,860	492,899,641
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The aging of the trade receivables is as follows.

Aging of the Trade Receivables

Up to one year	779,186,765	1,259,424,908
1 to 4 years	257,530,960	228,907,326
More than four years	1,034,044,153	972,198,525
	<u>2,070,761,878</u>	<u>2,460,530,760</u>

Trade receivables have been reviewed for impairment. Certain trade receivables are found to be impaired and provision for impairment has been made on the basis as stated in note 3.10.1

The Details of Provision for Impairment of the Trade Receivables;

Specific Impairment

Government institutions	36,206,870	36,206,870
Foreign agents	64,024,592	64,024,592
Private institutions	44,083,601	44,083,601
Others	16,931,052	16,931,052

Collective Impairment

	1,094,933,903	1,010,837,188
	<u>1,256,180,018</u>	<u>1,172,083,303</u>

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

	Notes	2023 Rs.	2022 Rs.
18.2 Deposits and Advances			
Container deposits		11,674,692	13,243,865
Other refundable deposits		6,653,732	6,124,052
Advances		6,100,028	4,349,646
		24,428,453	23,717,563
Provision for impairment		(8,328,910)	(8,328,910)
	18	16,099,543	15,388,654
18.3 Staff Receivables			
Staff loans		45,242,842	41,145,250
Advances and others		2,422,289	4,206,051
	18	47,665,131	45,351,301
18.4 Other Receivables			
Guarantee repairs receivable		19,839,635	19,839,635
Others		67,490,246	126,975,566
		87,329,881	146,815,201
Provision for impairment		(23,301,810)	(23,301,810)
	18	64,028,070	123,513,390
19 Statutory Receivables			
Withholding Tax		8,486,749	8,481,465
Goods and Services Tax		18,936,777	18,936,777
Provision for impairment		(18,936,777)	(18,936,777)
National Security Levy		2,612,349	2,612,349
Provision for impairment		(2,612,349)	(2,612,349)
Double Tax		-	-
		8,486,749	8,481,465
20 Held to Maturity Investments			
Investment in treasury bills		464,999,999	447,289,305
21 Short-Term Investments			
Investment in fixed deposits	21.1	2,009,601	1,981,012
State Mortgage and Investment Bank - for staff loans		24,258,604	23,552,575
		26,268,205	25,533,587
21.1 Investment in Fixed Deposits			
Bank of Ceylon		1,310,700	1,310,700
Commercial Bank of Ceylon PLC		35,000	35,000
Commercial Bank of Ceylon PLC - security and housing loan		663,901	635,312
	21	2,009,601	1,981,012

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

	Notes	2023 Rs.	2022 Rs.
22 Cash and Cash Equivalents			
Cash in hand		132,173	49,766
Cash to Master		9,119,140	1,781,797
Cash at bank		1,296,402,265	727,755,385
Balance for Statement of Cash Flows		<u>1,305,653,577</u>	<u>729,586,947</u>
23 Stated Capital			
<i>Issued and Fully Paid</i>			
5,000,000 Ordinary Shares of Rs. 10/= each		<u>50,000,000</u>	<u>50,000,000</u>
24 Contribution Against Equity Capital			
This represents funds received from the treasury for capital contribution, advances to working capital and for investing in new passenger terminal for ferry services.			
25 Capital Reserve			
This represents settlements made by the treasury on behalf of the Company including ASTARSA loan and treasury guaranteed loan obtained from People's Bank.			
26 Revaluation Reserve			
The revaluation reserve relates to the revaluation of Land situated at Kew Road, Slave Inland, Colombo 02" which was transferred from SLPA to CSC on 27/02/2023.			
28 Long - Term Borrowings			
People's Bank - Vessel Loan	28.1	15,330,225,172	15,046,963,632
People's Bank - Interest Capitalisation Loan	28.2	<u>781,720,627</u>	<u>985,927,982</u>
		<u>16,111,945,799</u>	<u>16,032,891,614</u>
28.1 People's Bank - Vessel Loan			
Balance at the beginning of the year		16,422,344,312	12,208,266,998
Payments during the year		(1,732,589,251)	(1,118,243,078)
Exchange gain		-	(36,000)
Exchange loss		<u>2,186,126,691</u>	<u>5,332,356,392</u>
		16,875,881,752	16,422,344,312
Repayable within one year	31	<u>1,545,656,580</u>	<u>1,375,380,680</u>
Repayable after one year	28	<u>15,330,225,172</u>	<u>15,046,963,632</u>
Treasury has given guarantee to cover the full value and tenor.			
28.2 People's Bank - Interest Capitalisation Loan			
Balance at the beginning of the year		1,267,582,026	951,702,211
Instalments paid during the year		(359,485,510)	(95,612,623)
Exchange loss		<u>190,147,698</u>	<u>411,492,438</u>
		1,098,244,214	1,267,582,026
Repayable within one year	31	<u>316,523,587</u>	<u>281,654,044</u>
Repayable after one year	28	<u>781,720,627</u>	<u>985,927,982</u>
Treasury has given guarantee to cover the full value and tenor.			

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

	Notes	2023 Rs.	2022 Rs.
29 Retirement Benefit Obligation - Gratuity			
Balance at the beginning of the year		35,244,807	40,406,325
Provision for the year	29.1	3,712,753	(2,591,813)
		<u>38,957,560</u>	<u>37,814,512</u>
Gratuity Payable		-	-
Payments made during the year		(9,609,140)	(2,569,705)
Balance at the end of the year		<u>29,348,420</u>	<u>35,244,807</u>
29.1 Provision for the Year			
Current service cost		1,643,803	2,096,625
Interest charge for the year		4,248,212	2,893,554
Loss arising from changes in actuarial assumptions		(2,179,262)	(7,581,992)
	29	<u>3,712,753</u>	<u>(2,591,813)</u>
The principal assumptions used are as follows.			
Discounting factor		15.00%	7.50%
Expected future salary increment		1.04%	1.17%
Staff turnover factor		12.73%	6.78%
Retirement age		60 years	62 years
These assumptions are developed by the Company based on the management's best estimates of variables used to measure the retirement benefit obligation. Discounting factor is determined on the basis of market rates of long-term Government Bond.			
30 Trade and Other Payables			
Trade payables		681,119,958	1,279,225,610
Deposits		4,898,310	3,557,414
Interest payable for vessel loan		983,259,229	149,421,266
Others		123,489,555	123,503,429
		<u>1,792,767,053</u>	<u>1,555,707,720</u>
31 Short -Term Borrowings			
People's Bank - Vessel loan		<u>1,862,180,167</u>	<u>1,657,034,724</u>
32 Statutory Payables			
Income Tax		200,086,629	9,665,215
WHT Payable		172,571	-
Stamp Duty		30,424	28,374
Value Added Tax		66,286,396	61,006,162
		<u>266,576,020</u>	<u>70,699,752</u>
33 Accrued Expenses			
Accrued expenses		<u>46,610,045</u>	<u>28,588,636</u>

For the year ended 31st March 2023

34 Contingent Liabilities

There were no materialized Contingent liabilities as at the end of the reporting period which required adjustments or disclosure to be made in the financial statements except the legal claims arising in the ordinary course of business operation to consider, if these claims to be made justified and probability of an outflow due to remoteness of settlement. This evaluation is in consistent with legal opinion of the Company's Legal Division; therefore no provision has been made for the following cases,

1. Mv Lanka Mahapola had been chartered out to M/s Triple "S" Shipping Ltd in the year 2011 and the said company has de-faulted the Charter hire, after paying few hires and subsequently deserted the ship at the Port of Mombasa, Kenya without proper redelivery of the vessel with huge amount of arrears in crew wages and operations expenses and also the vessel was under arrest and detained by the Maritime Authorities. With a view of recovering all dues from M/s Triple "S" Shipping Ltd, an Arbitral process has been initiated in terms of Charter party signed with them and currently it is in the process.

The hearing held on 25.01.2021 at the Sri Lanka National Arbitration Centre in the presence of both parties, former sole Arbitrator informed the parties that he has been appointed as the Chairman of the Public Service Commission and as the Claimant is a government owned company there could be a potential conflict of interest if a matter relating to the Claimant is referred to the Public Service Commission. Accordingly, the Arbitrator withdrew and/or resigned himself from the said arbitration. Accordingly, we nominated two arbitrators and informed them via registered post though there was no response from, Triple "S" Shipping. The next step is to proceed as set out in the said notice by acting in terms of the provisions of the Arbitration Act to appoint a new arbitrator. CSC Legal Division has taken steps to appoint a substitute Arbitrator from Commercial High Court (CHC). Accordingly, as provided for in Sections 9 and 7 of the Arbitration Act, an application was made by way of Petition and Affidavit to the Commercial High Court seeking the appointment of an Arbitrator by Commercial High Court. Considering the application for appointment of a new Arbitrator at CHC is in process and will be called on 25th October 2023 for Fiscal Report.

2. The Company entered into an Agreement with Ms Taurian Iron & Steel Company (TISC) in Mumbai, India to supply coal for Lanka Coal Company (Pvt)Ltd(LCC), the procuring arm of coal for "Lakvijaya" power plant in Puttalam belongs to Ceylon Electricity Board (CEB) The supply of coal under the said Agreement had to be halted due to a quality issue of coal supplied by the TISC. In order to reach an amicable solution as advised by AG's Department a Committee has been appointed by the Cabinet of Ministers and the Committee compiled a report and submitted the same for the line Ministry for further action. The line Ministry in turn has submitted the report to the CEB and LCC for their review and comments before the report to be submitted to the Cabinet of Ministers. The comments and concerns are yet to be received by the line Ministry as informed.

3. The transportation of crude oil for Ceylon Petroleum Corporation(CPC) had to be discontinued due to a dispute arose between the foreign ship owner and the disponent owner of the vessel from whom the CSC chartered the vessel for the carriage of crude oil. This discontinuation resulted financial dispute between Ceylon Shipping Corporation Ltd (CSC) and the disponent owner Ms Luna Shipping and finally with the CPC. The financial dispute with the Ms Luna Shipping and CSC was brought to the notice of at the AG's Department and the AG was of the view that the Arbitration process could be initiated in London as per the COA signed with them for the recovery option, In the meantime to resolve the issue with Ceylon Petroleum Corporation a Committee was appointed with the high ranking officers of CSC, CPC and from the Treasury, The Committee in their process has requested CSC and CPC to make a joint submission to AG's Department for the clarity on certain legal issues to finalize the Committee report. The preparation of the joint submission is in the process. In these circumstances the Board of Directors of the CSC set aside the initiation of Arbitral process against Luna Shipping in London until the issue with CPC is resolved. The said Committee in its interim report recommended referring certain legal issues to be clarified from AG's Department by submitting a joint request. The concurrence of the draft letter from CPC is yet to be received. The last correspondence from CSC to CPC is requesting them to forward certified documents, which CSC has made in writing on the 27/05/2020. As CSC has still not received a reply, sent a further reminder on 09/11/2022

4. In and around 28th April 2020 there was a reported collision incident between Mv.Ceylon Breeze and a Fishing Vessel(FV) in Chinese territorial waters. This matter was considered under collision liabilities This matter has already been settled upon signing a settlement agreement between the CSC and the Fishing vessel party with the payment of US\$ 20,149/- as full & final settlement of the claim considering the anticipated high expenses in legal action filed in China. Simultaneously Fishing vessel has released CSC from all claims by returning the club undertaking. Further, Insurance correspondent, Huatai Insurance Agency & Consultant Services Ltd of the Shanghai Branch had invoiced for fees of US\$ 4,304/- in terms of the services they rendered in the settlement process. Accordingly CSC made arrangements for the remittance as invoiced.

5. Collision incidents of MV Ceylon Breeze with MV. Leopold and MV. Cyclades.

Mv.Ceylon Breeze was on a time charter voyage from port of Paradip, India to port of Lianyungang, China to discharge 60,100MT iron Ore pellet in bulk. She had called Port of Singapore on 11/06/2021 for a bunkering stoppage.

1st Collision (Mv.LeopoldLD)

The Club had informed that Leopold cost has been estimated as USD230,000/- while proposing the liability share of CSC as 85%-90% requesting for a settlement.

The P & I Club, TYSERS (Insurance Broker) and SLIC strongly advised CSC to settle the matter on terms that there is a discount on LD's weaknesses in avoiding a collision as mentioned by Club. As advised by TYSERS two days legal cost in Singapore would approximately USD 250,000/-. Percentage of Liability sharing between CB & LLD parties was negotiated with CSC Senior Management, Club correspondents & LLD parties, etc. and whereas, finally all parties have agreed to settle the subject claim for the total settlement amount, USD 220,000 after signing a settlement Agreement and Sri Lankan Insurance Corporation Limited (SLIC) informed that they will remit money to Tysers (Insurance Brokers) as per the calculation below, for the portion which comprises the following. As negotiated by Insurance Clubs of both parties, the Leopold LD has agreed to settle the dispute at an amount of USD 220,000/- (Agreed amount) with a discount for their weakness in failing to keep a proper lookout.

For the year ended 31st March 2023

CSC was liable to pay USD 115,000/- which is the deductible amount as per the both Insurance Policies (P&I and H&M), within 21 days from the date of signing the settlement agreement. However if CSC would proceed to litigation, the total cost would exceed USD 220,000/- (Leopold's damage claim + cost of Legal action).

At the Special Board meeting held on 01.06.2023 in respect of "Proceed with the settlement offer as suggested by the Club ie all inclusive USD 220,000/- with Leopold LD", considering the future exorbitant expenses that CSC will have to incur in the event of the dispute being litigated at Singapore by both parties, the Board of Directors had granted approval 1) to accept the proposal of the P & I Club intermediated between CSC and the Leopold Interest for an all-inclusive settlement of USD 220,000/- Out of the above settlement payment, CSC is to pay USD 115,000/- as the deductible portion of H&M and P&I Insurance Policy to SLIC. Considering the financial loss caused to the CSC by the crew members who were onboard duty of the vessel M.V. Ceylon Breeze on 12th June 2021, CSC sent letters of demand to those crew members of Ceylon Breeze identified as responsible for the Leopold Collision.

CSC has already settled the above dispute by payment USD 115,000/- as the deductible portion of H&M and P&I Insurance Policy CSC has submitted their cost claim to the H & M Insures which is under review by an appointed Loss Adjuster

2nd Collision (Mv.Cyclade)

While Mv. Ceylon Breeze was in the anchorage on 12/06/2021, our vessel had dragged towards another vessel which was in stationery in outer port area named Mv. Clyclade and made contact causing damage to Mv.Cyclades as well as to her own. Due to the subject collision , the damaged cost incurred by CSC is approximately sum of USD 1,065,130.65 subject to verification of the costs with valid proof documents. Although estimated cost claim of Cyclades was around USD 1.98 M , upon completing the damage repairs they have submitted their actual cost claim of CYCLADES as US\$ 285,037.59 (plus interest and cost) which is subject to proof with valid documents. This matter was considered under collision liabilities where H&M insurance Cover was activated due to the estimated damage to our vessel being above deductible level (USD 100,000/-) Solicitors have been appointed by the P & I Club with the consent of CSC and the matter is currently under negotiation to exchange securities between both parties CSC has requested for actual cost for Cyclade. Accordingly CJC (Campbell Johnston Clark Limited) have informed CSC with regards claim of the Cyclades together with a request for an admission of liability and a further request to extend-time to deal with the claim , forwarded by the Wikborg Rein LLP who has been appointed on behalf of Mv- Ceylade interest. Accordingly the claim of CYCLADES is US\$285,037.59 (plus interest and costs).. CJC have informed that they are now reviewing the claim of the Cyclades and will advise if it is worth less than US\$ 285,037.59 once they have completed a review of their evidence. As Cyclade's claim was to expire on 12th June 2023 , as advised by the Club, CSC has granted an extension of time for cyclade to persuade them to come for negotiation with CSC as merits of this collision appears to be fully unfavorable for CSC. Considering the financial loss incurred by CSC due to the act of crew members who were onboard duty of the vessel M.V. Ceylon Breeze on 12th June 2021, CSC sent letters of demand to those crew members of Ceylon Breeze identified as responsible for the Leopold Collision.

6. Deceased Cadet – M.V. Ceylon Princess .

The vessel,M.V.Ceylon Princess sailed from Abidjan /Ivory Coast on 27.11.2022 to Paranagua /Brazil. At that voyage ,Mr. W.M.S.K.P.Kumara who was employed as an Engine Cadet of Mv. Ceylon Princess in term of the Seafarers' Employment Agreement (SEA) dated 01.09.2022 , succumbed to illness on 02.12.2022.

The Club has recommended a death compensation payment of USD 10,000.00 to Deceased Cadet Officer which has been agreed to accept by his legal heirs. The P & I Club will reimburse the compensation based on Pay-to-be paid basis in line with the Rules of the Steamship Mutual. Accordingly, CSC is in the process of preparing necessary legal documents to pay the said amount to deceased Cadets' Nominated legal heir and then to get the same amount reimbursed from the club. .

7. Ceylon Shipping Corporation Limited (CSC) v. M.I. International (Pvt) Limited and 02 others D.C., Colombo, Case No. DMR 2493/22

The vehicle No. WP KY -7714 is a Vehicle belong to the Ceylon Shipping Corporation Ltd and It had caused accident with the vehicle No.WP CAV 7862, belong to Mr. Mohomad Imran Infas (Address: No.05, 1st Chapel Street, Colombo 06) at Rajakeeya Mawatha in Kuruduwatta Police area on Friday 18th September 2020 at about 19.05 hrs.

CSC obtained an Estimate from United Motors Lanka PLC to repair the said damage vehicle No. WP KY 7714 and accordingly the total cost of repairing the said damage vehicle was Rs. 1,000,012.06 . Thereafter CSC obtained legal advices from AGs Department for initiating legal action against Mr. Mohomad Imran Mohomad Infas, the owner of the vehicle no. WP CAV 7862 and to recover the money and cost of the said damage to CSC due to the subject Vehicle Accident.

Accordingly, as per the consultation of the AGs Department, Ceylon Shipping Corporation Limited instituted legal proceedings in D.C. Colombo Case No. DMR 2493/22 against I.M. International (pvt) Ltd, the owner of vehicle bearing No. CAV 7862 insured with Amana Takaful PLC under policy bearing No. HOVPTDP00360/20 and Mr.Mohomad Imran Mohomad Infas , the driver of the subject vehicle at the subject accident for the recovery of a sum of Rs.1,000,012.06 bearing the amount due and owing in respect of the damage caused to vehicle bearing No. KY 7714 owned by Ceylon Shipping Corporation Limited.

The 1st date of calling of the above styled case was taken up in the District Court No. 08 of Colombo on 18.11.2022. The Court decided to call the subject case on 01/09/2023 for return of summons issued on 18/11/2022.

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

8. ESCROW AGENT

Between Ceylon Shipping Corporation Ltd and Refined Success Ltd

The disputes have arisen between the Parties in relation to the charter of the MV Ceylon Breeze" (the "Vessel") pursuant to a charterparty dated 17th March 2022 (MV CEYLON BREEZE / REFINED SUCCESS LTD - CLEAN RECAP CP DD 17th MARCH 2022) (the "Charterparty") whereby the Owner claims a balance of hire and has stated that in the absence of payment it is entitled to exercise a lien over cargo on board the Vessel and / or to suspend performance of the Charterparty in terms of the respective provisions thereof, which is disputed by the Charterer who alleges that hire has been fully paid after taking account of off hire in respect of matters which (a) occurred during the Vessel's call at Port Elizabeth, (b) relate to the Vessel's stay at Port Coega, and / or that it is entitled to and claims damages in respect of such matters and (c) relate to the period which the vessel deviated to land a stowaway at Tanzania, which is disputed by the Owner (the "Disputes"); (B) The Disputes are subject to determination in London arbitration by a Tribunal appointed pursuant to the arbitration agreement contained in the Charterparty ("Tribunal"); to avoid escalation of the Disputes, the Charterer will pay the sum of US\$469,524.98 (Four Hundred and Sixty Nine Thousand Five Hundred and Twenty Four United State Dollars and Ninety Eight Cents Only) (the "Escrow Amount") the Escrow Agent's US Dollar client account held at Standard Chartered Bank (Hong Kong) Ltd (the "Bank") against an undertaking from the Escrow Agent either to hold the Escrow Amount as escrow agent. The Arbitration process is yet to be commenced.

35 Related Party Disclosures

The Company's related parties includes Government of Sri Lanka, State-Owned Enterprises, Other Related Entities and Key Management Personnel.

35.1 Transactions with Key Management Personnel (KMPs)

According to Sri Lanka Accounting Standards, I.K.A.S 24 - "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the Directors, General Manager and Operational Managers have been classified as Key Management Personnel of the Company.

Transactions with Key Management Personnel	2023 Rs.	2022 Rs.
Remuneration and other short-term employment benefits	37,120,418	32,898,309
Balance outstanding - Loans and advances	5,345,916	4,038,672
Balance Outstanding- Post employment benefits	11,239,068	10,546,800

35.2 Transactions with Related Entities

Details of significant related party transactions that the Company carried out are as follows:

Transactions with Government of Sri Lanka, State-Owned Enterprises and Other Government Related Entities

The Government of Sri Lanka is only the capital holder of the Company and thus has control over its operation. Accordingly, the Company has considered the Government of Sri Lanka and other entities which are controlled, jointly controlled or significantly influenced by the Government of Sri Lanka (Government related entities) as related parties.

Related Parties	Nature of Transactions	Balance (Due)/ Receivable as at 01/04/2022 Rs.	Transaction Value	Balance (Due)/ Receivable as at 31/03/2023 Rs.
Government of Sri Lanka	Freight charges, charter hire, container rent, clearing & forwarding and other charges	378,208,191	398,654,813	
	Settlements		(625,256,772.43)	151,606,232
State-Owned Enterprises	Freight charges, clearing & forwarding and other charges	119,902,944	213,850,065	
	Settlements		(223,307,961)	110,445,048
Lanka Coal Company	Freight charges ,lightering and bunker escalation charges	1,281,722,990	156,053,321.030	
	Settlements		(140,301,904.07)	1,297,474,407
Other Government Related Entities	Clearing & forwarding and other charges	2,432,428	1,598,040	
	Settlements		(1,996,198.24)	2,034,269

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

36 Events after the end of the Reporting Period

No circumstances have been arisen since the date of Statement of Financial Position which would require adjustments to or disclosures in the Financial Statement

37 Capital Commitments

The company has committed to purchase two new 63,600 DWT Ultramax Bulklers with training purpose amounting to US\$ 70 Mn. from the Avic International Beijing Company Ltd. (China) on February 18, 2014. Cabinet of Ministers approved the purchase of two new 63,600 DWT Ultramax Bulklerswith training purpose under the unsolicited proposal on December 23, 2013.

The Company has entered into an agreement with the supplier under the buyer credit terms and therefore the Company has sought its fund requirement by obtaining loan facility from the People's Bank amounting to US\$ 70 Mn. with the interest rate of 06 months LIBOR + 5.25% p.a. Further, the People's Bank has granted additional amount of US\$ 10Mn. with the interest rate of 06 months LIBOR +3% p.a. in order to pay the interest which has arisen from the above loan which CSC had utilized only US\$ 5.5Mn.

As at date of Statement of Financial Position, amount payable to the bank is US\$ 56,223,842.97

38 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments and the Company applies various risk management strategies to mitigate these risks from time to time.

- 38.1 Credit Risk**
- 38.2 Liquidity Risk**
- 38.3 Market Risk (Currency Risk and Interest Rate Risk)**
- 38.4 Capital Management**

The financial instruments of the Company comprise of quoted and unquoted equity investments, investment in term deposits and treasury bills, cash and cash equivalents. The Company also has trade receivables and payables from its core business activities. The main purpose of investment in short-term deposits are to maintain liquidity for the operations. Investment in quoted and unquoted equity investments are strategic investments.

38.1 Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligations. Credit risk arises principally from deposits held with banks, cash and cash equivalents (excluding cash in hand) and receivables from customers. The maximum risk exposures of financial assets that are subject to credit risk are equal to their carrying amounts.

Following table depicts the maximum risk exposure of financial assets reported as at 31 March

	Notes	2023 Rs.	2022 Rs.
Cash and cash equivalents	38.1.1	1,296,402,265	727,755,386
Term deposits with banks		26,268,205	25,533,587
Trade receivables	38.1.2	2,070,761,878	2,460,530,760
Other receivables		127,792,745	184,253,346
		<u>3,521,225,092</u>	<u>3,398,073,078</u>

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

38.1.1 Cash and Cash Equivalents

Cash and cash equivalents include cash at bank (excluding cash in hand), demand deposits and other short-term highly liquid investments with original maturities of three months or less described as follows.

	Note	2023 Rs.	2022 Rs.
Cash at bank		1,296,402,265	727,755,386
	38.1	<u>1,296,402,265</u>	<u>727,755,386</u>

38.1.2 Trade Receivables

The Company trades mainly with shipping agents and government institutions. The management assesses the credit quality of the shipping agents based on the past experience. In addition, outstanding balances are monitored on an ongoing basis in the management committee and the Board.

The age analysis of the Company's trade receivables portfolio is as follows:

	Note	2023 Rs.	2022 Rs.
Aging of the Trade Receivable			
Up to one year		779,186,765	1,259,424,908
1 to 4 years		257,530,960	228,907,326
More than four years		1,034,044,153	972,198,525
	38.1	<u>2,070,761,878</u>	<u>2,460,530,760</u>

The Company establishes policy for provision for impairment (Refer note 3.9.1 to the financial statements) that represents the estimate of incurred losses in respect of trade receivables. According to the impairment policy established, customers are reviewed individually to measure the impairment loss. Please refer note 18.1 to the financial statements relating to trade receivables and provision for impairment loss.

38.1.3 Other Financial Assets

Credit risk arising from other financial assets of the Company comprises deposits held with banks. The Company's exposure to credit risk arises from default in meeting contractual obligations of the contractual parties, with a maximum exposure equal to the carrying amount of these financial instruments. The Company manages its credit risks with regard to these financial instruments by mainly placing its fund with state banks and credit rated banks.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

38.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due under both normal and unexpected conditions without incurring unacceptable losses.

The Company monitors financial assets and liabilities and prepares the forecasted operational cash flows monthly. Annual budget is prepared in each division to monitor the divisional performance. The management monitors the both monthly forecasted operational cash flows, annual budget and liquidity requirements to ensure the Company has sufficient cash to meet operational needs.

The following table depicts the Company's financial assets and liabilities maturity analysis as at 31 March 2023 based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Financial Assets and Liabilities	Carrying Amount Rs.	6 Months or Less Rs.	6-12 Months Rs.	More than 1 Year Rs.
Financial Assets				
AFS financial assets	47,693,210	-	-	47,693,210
Held to maturity investments	464,999,999	464,999,999	-	-
Short-term investments	26,268,205	-	2,009,601	24,258,604
Trade receivables	2,070,761,878	-	779,186,765	1,291,575,113
Other receivables	127,792,745	-	127,792,745	-
Cash and cash equivalents	1,296,402,265	1,296,402,265	-	-
	<u>4,033,918,301</u>	<u>1,761,402,264</u>	<u>908,989,111</u>	<u>1,363,526,927</u>
Financial Liabilities				
Trade payables	681,119,958	681,119,958	-	-
Other payables	1,111,647,094	1,111,647,094	-	-
	<u>1,792,767,053</u>	<u>1,792,767,052</u>	<u>-</u>	<u>-</u>

38.3 Market Risk (Currency Risk and Interest Rate Risk)

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates which will affect the Company's income or the carrying value of holdings of financial instruments.

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

38.3.1 Currency Risk

The Company's exposure to currency risk is arising from fluctuations in the value of US Dollar (USD) and other foreign currencies against Sri Lankan Rupee. The Company's functional currency in respect of certain services rendered is USD and other foreign currencies. Certain trade receivables & payables are denominated in foreign currencies.

The net foreign exchange loss that the Company has reported and included in the operating results for the reporting period 2022/23 is Rs.2,390,657,465/-

38.3.2 Interest Risk

The Company's exposure to interest risk is the changes in market interest rates relate to short-term bank deposits, treasury bills and term deposits.

The Company has bank balances including term deposits placed with state banks and credit rated banks.

The Company manages interest rate risk by actively monitoring the interest rate movements.

38.4 Capital Management

The Company manages its capital for safeguarding the Company's ability to continue as a going concern in order to provide maximum returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Company monitors capital structure on the basis of the gearing ratio. The gearing ratio is calculated as total borrowings by total equity. Total borrowings include non-current and current borrowings as shown in the statement of financial position. Following table depicts the Company's total borrowing and equity ratio as at 31 March 2022 and 2023

	2022/23 Rs.	2021/22 Rs.
Class of Capital		
Total borrowings	17,974,125,965	17,689,926,338
Total equity	(9,210,094,328)	(7,914,226,189)
Gearing ratio (x)	-195%	-224%

39 Absorption of Costs of Cargo Insurance

Approved by the Cabinet of Ministers on 17/06/2019 on the Cabinet Paper No. 17/1791/129/023 and the decision taken at the Board of Directors of CSCL dated 29/07/19, Cargo Insurance Costs, which has already, being done by M/S Lanka Coal Company Ltd. directed to be absorbed by CSC. Details are given below.

Financial Year	Amounts (Rs)
2015/16	12,512,559.00
2016/17	21,447,333.00
2017/18	21,502,890.00
2018/19	22,571,307.28

Original documents such as VAT invoices, Receipts which are issued by the Insurers required to be submitted for reimbursement. Accordingly, amounting to Rs.22,571,307.28 has already absorbed in the accounts for the year ended 31/03/2019. Also, amounting to Rs.54,190,609.70 have been adjusted to the retained earnings of the financial year 2019/20 and 2020/2021. Reimbursement of cargo insurance amounting to Rs. Rs1,271,172.30 has not been taken into accounts due to non-availability of documents required.

CEYLON SHIPPING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st March

40 Administration Expenses

Description	2023	2022
STAFF TRAINING	213,250	175,433
STAFF RECRUITMENT	-	57,000
CONTRIBUTION TO W.N.O.P 25%	119,631	-
CONTRIBUTION TO PROVIDEND FUND	12,731,543	12,614,362
EXECUTIVE STAFF SALARIES	68,093,388	63,952,391
CLERICAL & ALLIED STAFF SALARIES	44,476,187	48,401,842
TEMPORARY & CASUAL EMPLOYEES WAGES	1,140,567	841,189
OVERTIME	12,162,623	11,550,489
BONUS	3,967,877	3,911,129
CONTRIBUTION TO MEDICAL FUND	48,000	48,000
CONTRIBUTION TO E.T.F	2,546,309	2,519,810
MEDICAL LEAVE PAY	3,457,476	4,646,607
GRATUITY	3,712,753	(2,591,813)
COMPENTION	-	3,730,080
HARDSHIP ALLOWANCE-NOROCHCHOLAI	1,404,200	1,506,988
OFFICE RENT	20,373,750	19,558,800
PRINTING & STATIONARY	3,190,463	2,365,230
MEMBERSHIP SUBSCRIPTIONS	2,610,962	1,303,510
INSURANCE	13,021,381	7,271,538
MAINT. OF OFFICE PREMISES & EQUIPMENT	3,759,659	5,691,657
ELECTRICITY CHARGES -HEAD OFFICE	1,860,852	1,475,657
ELECTRICITY CHARGES -QUARTERS	106,449	71,734
STAFF WELFARE	7,661,234	5,624,230
SECURITY CHARGES	2,269,400	2,107,140
COMPUTER EXPENSES	4,423,379	1,877,867
BANGALOW MAINTENENCE - MODARA	-	3,026
TRASLATION CHARGES	251,078	185,914
WATER CONSUMPTION HEAD OFFICE	180,000	180,000
WATER CONSUMPTION - QUARTERS	137,567	69,234
PENALTY CHARGERS	-	7,080
SSCL EXPENSES FOR ADMINISTRATION	142,616	-
TELEPHONE CHARGES	2,191,353	2,686,601
POSTAGE & TELEGRAMMES	125,155	27,655
INTERNET / E-MAIL CHARGES	2,691,555	3,058,649
FOREIGN TRAVEL & EXPENSES	-	38,117
LOCAL TRAVEL	357,182	3,946,217
MAINTENENCE OF MOTOR VEHICLES	8,531,351	5,727,485
TRAVELLING & SUBSISTANCE	7,250	14,250
FUEL EXPENSES	41,800	-
ENTERTAINMENT	255,824	100,257
ADVERTISMENT	1,567,635	4,262,440
ANNUAL REGISTRATION LEAVY	35,000	41,000
DIRECTORS FEES	488,500	596,050
AUDIT FEES	810,000	760,000
PROFESSIONAL CHARGES & LEGAL FEES	1,708,246	584,905
TENDER COMMITTEE ALLOWN AND EXPENSES	-	1,332,200
MISCELLANEOUS EXPENSES	137,785	515,604
DONATIONS	-	62,500
ANNIVERSARY EXPENSES	-	707,409
DEPRECIATION	4,845,487	4,932,749
BANK CHARGES	6,253,749	27,775,207
OVERDRAFT INTEREST	-	1
STAMP DUTY EXPENSES A/C	34,900	37,125
PROFIT /(LOSS) ARISING FROM CHANGES IN ACTUARIAL ASSUMPATIONS	2,179,262	7,581,992
Total	246,344,628	263,944,537

Name		Address	
1. J. A. Smith		123 Main St.	
2. B. C. Jones		456 Elm St.	
3. C. D. Brown		789 Oak St.	
4. D. E. White		101 Pine St.	
5. E. F. Black		202 Cedar St.	
6. F. G. Green		303 Birch St.	
7. G. H. Gray		404 Spruce St.	
8. H. I. White		505 Willow St.	
9. I. J. Black		606 Ash St.	
10. J. K. Green		707 Hickory St.	
11. K. L. Gray		808 Maple St.	
12. L. M. White		909 Poplar St.	
13. M. N. Black		1010 Sycamore St.	
14. N. O. Green		1111 Chestnut St.	
15. O. P. Gray		1212 Walnut St.	
16. P. Q. White		1313 Elm St.	
17. Q. R. Black		1414 Oak St.	
18. R. S. Green		1515 Pine St.	
19. S. T. Gray		1616 Cedar St.	
20. T. U. White		1717 Birch St.	
21. U. V. Black		1818 Spruce St.	
22. V. W. Green		1919 Willow St.	
23. W. X. Gray		2020 Ash St.	
24. X. Y. White		2121 Hickory St.	
25. Y. Z. Black		2222 Maple St.	
26. Z. A. Green		2323 Poplar St.	
27. A. B. Gray		2424 Sycamore St.	
28. B. C. White		2525 Chestnut St.	
29. C. D. Black		2626 Walnut St.	
30. D. E. Green		2727 Elm St.	
31. E. F. Gray		2828 Oak St.	
32. F. G. White		2929 Pine St.	
33. G. H. Black		3030 Cedar St.	
34. H. I. Green		3131 Birch St.	
35. I. J. Gray		3232 Spruce St.	
36. J. K. White		3333 Willow St.	
37. K. L. Black		3434 Ash St.	
38. L. M. Green		3535 Hickory St.	
39. M. N. Gray		3636 Maple St.	
40. N. O. White		3737 Poplar St.	
41. O. P. Black		3838 Sycamore St.	
42. P. Q. Green		3939 Chestnut St.	
43. Q. R. Gray		4040 Walnut St.	
44. R. S. White		4141 Elm St.	
45. S. T. Black		4242 Oak St.	
46. T. U. Green		4343 Pine St.	
47. U. V. Gray		4444 Cedar St.	
48. V. W. White		4545 Birch St.	
49. W. X. Black		4646 Spruce St.	
50. X. Y. Green		4747 Willow St.	
51. Y. Z. Gray		4848 Ash St.	
52. Z. A. White		4949 Hickory St.	
53. A. B. Black		5050 Maple St.	
54. B. C. Green		5151 Poplar St.	
55. C. D. Gray		5252 Sycamore St.	
56. D. E. White		5353 Chestnut St.	
57. E. F. Black		5454 Walnut St.	
58. F. G. Green		5555 Elm St.	
59. G. H. Gray		5656 Oak St.	
60. H. I. White		5757 Pine St.	
61. I. J. Black		5858 Cedar St.	
62. J. K. Green		5959 Birch St.	
63. K. L. Gray		6060 Spruce St.	
64. L. M. White		6161 Willow St.	
65. M. N. Black		6262 Ash St.	
66. N. O. Green		6363 Hickory St.	
67. O. P. Gray		6464 Maple St.	
68. P. Q. White		6565 Poplar St.	
69. Q. R. Black		6666 Sycamore St.	
70. R. S. Green		6767 Chestnut St.	
71. S. T. Gray		6868 Walnut St.	
72. T. U. White		6969 Elm St.	
73. U. V. Black		7070 Oak St.	
74. V. W. Green		7171 Pine St.	
75. W. X. Gray		7272 Cedar St.	
76. X. Y. White		7373 Birch St.	
77. Y. Z. Black		7474 Spruce St.	
78. Z. A. Green		7575 Willow St.	
79. A. B. Gray		7676 Ash St.	
80. B. C. White		7777 Hickory St.	
81. C. D. Black		7878 Maple St.	
82. D. E. Green		7979 Poplar St.	
83. E. F. Gray		8080 Sycamore St.	
84. F. G. White		8181 Chestnut St.	
85. G. H. Black		8282 Walnut St.	
86. H. I. Green		8383 Elm St.	
87. I. J. Gray		8484 Oak St.	
88. J. K. White		8585 Pine St.	
89. K. L. Black		8686 Cedar St.	
90. L. M. Green		8787 Birch St.	
91. M. N. Gray		8888 Spruce St.	
92. N. O. White		8989 Willow St.	
93. O. P. Black		9090 Ash St.	
94. P. Q. Green		9191 Hickory St.	
95. Q. R. Gray		9292 Maple St.	
96. R. S. White		9393 Poplar St.	
97. S. T. Black		9494 Sycamore St.	
98. T. U. Green		9595 Chestnut St.	
99. U. V. Gray		9696 Walnut St.	
100. V. W. White		9797 Elm St.	