

වාර්ෂික වාර්තාව 2022
ஆண்டு அறிக்கை 2022
ANNUAL REPORT 2022



ජය කන්ටේනර් ටර්මිනල්ස් ලිමිටඩ්
ஜய கண்டேனர் டர்மினல்ஸ் லிமிடெட்
Jaya Container Terminals Limited

Contents

01. REPORT OF THE BOARD DIRECTORS	147
02. CHAIRMAN’S MESSAGE	151
03. INTRODUCTION TO THE COMPANY	152
04. MANAGEMENT TEAM	155
05. DIVISIONAL PERFORMANCE	156
06. CORPORATE GOVERNANCE	168
07. AUDIT COMMITTEE REPORT	169
08. AUDITED FINANCIAL STATEMENTS	172

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors are pleased to present the Annual Report pertaining to Jaya Container Terminals Limited together with the Audited Financial Statement of the Company for the year ended 31st December 2022 and the Auditor General's Report thereon.

Legal Status

Jaya Container Terminals Limited is a limited liability Company incorporated and domiciled in Sri Lanka in 2002 under the Companies Act No. 1982 and re-registered under the Companies Act No.07 of 2007.

The registered office of the Company is located at No.19, Church Street, Colombo 01 and the business is placed and operated at the Colombo Oil Bank, No.69, Walls Lane, Colombo 15.

Principal Activities

The principal activities of the JCT Limited is to manage and operate the Colombo Oil Bank situated at Blomendhal (No.69,Walls Lane, Colombo 15) which is a public bond of the Sri Lanka Ports Authority (SLPA). JCT Limited has been appointed by the SLPA as the management agent under a management services agreement to carry out the operations of the Colombo Oil Bank.

Financial Statements

The Financial Statements, approved by the Board of Directors of the Company, at the Board meeting held on 17.02.2023 is presented in this report on pages 180 to 218

Auditor's Report

The Auditor General's Report on the financial statements of the company is accessible on pages 173 to 179.

Accounting Policies

The accounting policies adopted in the preparation of the financial statement are reachable on pages 187 to 197 and there have been no changes in such policies, when compared to the previous years.

Going Concern

The Board of Directors is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared based on the 'Going Concern' concept.

The Board of Directors of Jaya Container Terminals Limited as at 31.12.2022 are as follows;

Chairman	Mr.Lakmal Rathnayake
Managing Director	Mr.Ranjith Maligaspe
Board of Directors	1.Mr.K. D. Bernard 2.Mr.G. U. K. Algewattage 3.Mr.Rohan De Silva 4.Mr.B. R. L. Gunawardana 5.Mr.K. B. Hiran De Silva 6.Mr.Kaushalya Nawarathne 7.Mr.C. W. K. Dharmasena- Treasury Representative

The Board held 12 meetings during the year of 2022. The Audit Committee which functions as a sub-committee of the Board of Directors held 04 meetings during the year 2022. The following Directors of the Board functioned as members of the Audit Committee.

1. Mr. M.A.L.S.N. Manthrinayake	– Treasury Representative, Director - (Chairman)
2. Mr.Niroshan Siriwardena	– Director – (Member)
3. Mr.A.Priyantha	– Director – (Member)
4. Mr.Dilshan Silva	– Director – (Member)
5. Mr.S.Herman Fernando	- Internal Auditor-Ministry of Ports & Shipping

Since October 2022, Audit Committee members have been changed as follows,

01. Mr.C. W. K. Dharmasena	- Board Member- (Chairman)
02. Mr. K.A.A.Kulathunga	- Superintendent of Audit-National Audit Office
03. Mr.K. D. Bernard	- Director - (Member)
04. Mr.B.R.L.Gunawardana	- Director - (Member)
05. Ms. Himali Kamala Wijerathna	- Internal Auditor-Ministry of Ports & Shipping

JCT Limited handled 442,305.744MT of loading and 421,034.900MT of discharging operations during the year 2022. The company entered into agreements with 8 nos of Bunker License Holders to provide storage facilities to store their imported bunker fuel at the Blomendhal Oil Terminal.

Loading operations in 2022 have increased by 12.73 % when compared to 2021. The JCT Limited Management implemented several strategies to increase Bunker operations. Construction of a new tank with a capacity of 3200MT, to store LSFO 380Cst was completed. SLPA has selected an investor for long term lease of land for the establishment and operation of two nos of 12000 MT capacity fuel storage tanks/facility in Colombo Oil Bank premises and adjacent area. JCT Limited has recorded Rs. 608,028,143 of revenue in year 2022 which was an increase of 104% when compared to the previous year.

STATED CAPITAL

The stated capital of the company as at 31st December 2022, is Rs.1,000,000/=.

PROPERTY PLANT & EQUIPMENT

The movements in property, plant and equipment during the year 2022 are set out in Note 05 in the financial statement.

REMUNERATION OF DIRECTORS

Remuneration received by the directors is set out in the detailed income statement in the financial statement.

STATUTORY PAYMENTS

To the best of their knowledge and belief, the Directors are satisfied that all statutory payments in relation to the government and to the employees have been settled to date or are provided for in the books of the company.

POST BALANCE SHEET EVENTS

There are no of significant events that have occurred after the date of the balance sheet, which would lead to any material effect of the company that require adjustments which are to be decided by the Board of Directors.

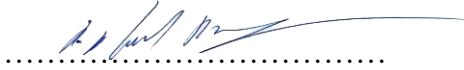
AUDITORS

In terms of the 19th Amendment to the Constitution, the company is required to appoint an Auditor. The fees paid to auditors are disclosed in the detailed income statement which is included in the financial statements.

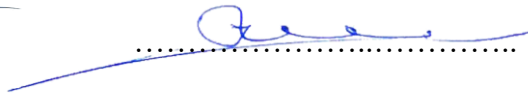
Audit for the financial year ended 31st December 2022 was carried out by the National Audit Office.

As far as the Directors are aware, the auditors do not have any relationship (Other than that of an auditor) with the company other than those disclosed above. The auditors also do not have any interest in the company. They confirm that they are independent in accordance with the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

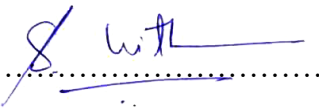
For and on behalf of the Board of Directors of JCT Limited.



Chairman



Managing Director



Secretary to the Board

Date : 15.06.2023

CHAIRMAN'S MESSAGE

On behalf of Jaya Container Terminals Limited (JCT Limited) it gives me great pleasure to forward this message to the Annual Report for the Year 2022. JCT Limited is a 100% fully owned subsidiary of the Sri Lanka Ports Authority and the main role of the company is to manage and operate the oil bank situated at the Port of Colombo and to make sure and facilitate sufficient fuel stocks for the sea-going vessels in the region.



The Year 2022 was a remarkable year for our company and the company recorded the **highest profit ever in the history of the JCT Limited** which was over Rs. 245 Mn. This was a 275% increase in profit compared to the Year 2021 which is a significant increase which was obtained with the commitment of the management and the employees of this esteemed establishment.

The beginning of the year was marked with the opening of the new oil tank which has the capacity of 3200 MT which was completed within a short period of 11 months which was a new addition to the tank farm of the Colombo Oil Bank with the prime motive of enhancing the capacity in accordance to full fill our customers requests and their requirements. The new operation during the fuel crisis in getting our customers permission and approvals to supply the Marine Gas Oil (MGO) to keep the operations alive in the export industry sector, tourism sector, especially with regard to garment factories, tourist hotels was an addition to the revenue and the profit of JCT Limited in the Year 2022.

JCT Limited has continued to look into market potentials and demand in sectors relating to the bunkering industry for further expansion and developments. We have also initiated studies with regard to market developments and changes that could happen in the future with regard to LSFO and MGO usage and the possibilities of LNG and Methanol use as substitutes for the conventional marine fuel.

I value the priceless effort and the commitment rendered by the Managing Director, the Board of Directors, the Heads of Divisions and all other staff of JCT Limited to boost the business and make JCT Limited a profitable entity.

I take this opportunity to thank His Excellency Honorable Ranil Wickramasinghe, the President of the Democratic Socialist Republic of Sri Lanka and Honorable Nimal Siripala De Silva, Minister of Ports, Shipping and Aviation for the guidance provided to the JCT Limited Management.



Lakmal Ratnayake

Attorney-at-Law

Chairman – Jaya Container Terminal Limited

INTRODUCTION TO THE COMPANY

OUR VISION

To become the Bunkering Hub in the Asian region

OUR MISSION

To maximize country's value by developing infrastructure/storage facilities to Bunker License Holders.

OBJECTIVES

- ✓ Develop infrastructure facilities for storing of Marine fuel oil
- ✓ Managing the Colombo Oil Bank in an efficient and effective way as the center of the bunkering business.
- ✓ Ensure safety of the product stored at the premises.
- ✓ Improve and maintain high level of productivity among all employees.
- ✓ Introduce health, Safety and environmentally friendly measure in operation.
- ✓ To provide efficient and effective services to customers.

INTRODUCTION TO THE COMPANY

The Jaya Container Terminals Limited (JCT Limited), also known as the Colombo Oil Bank is a fully owned subsidiary Company of Sri Lanka Ports Authority, and is a premier oil bunkering storage entity in the region. Jaya Container Terminals Limited (PB 960) was incorporated under the Companies Act No. 17 of 1982 on 21 February 2002 and reregistered on 25 April 2008 under the Companies Act No. 07 of 2007 as a company 100% owned by the Sri Lanka Ports Authority.

In year 2008 Jaya Container Terminals was assigned by the Sri Lanka Ports Authority to manage and operate Colombo Oil Bank at No.69, Walls Lane, Colombo 15. The main activity of the Company is to manage and operate said Oil Bank which established as a Sri Lanka Customs approved Public Bond to facilitate Bunker License Holders (BLHs) to store their imported bunker fuels.

The primary business of the JCT Limited is storing of Marine fuel, which is supplied for vessels calling at Port of Colombo through the Bunker License Holders. The marine fuels in the fuel categories of Low Sulphur Fuel Oil (LSFO) and Marine Gas Oil (MGO) are currently stored at the said premises and previously Heavy Fuel Oil (HFO) 380 and Intermediate Fuel Oil (IFO) 180 were stored until end of 2019. At present, the Company has 14 Nos of fuel tanks to store total capacity of 38,200 MT of marine fuels. The above facility locates over 9 acres land area at the Bloemendhal area in Colombo 15.

THE BOARD OF DIRECTORS

The board of Directors of Jaya Container Terminals Limited as at 31.12.2022 are as follows;

Chairman Mr.Lakmal Rathnayake

Managing Director Mr.Ranjith Maligape

Board of Directors

- 1.Mr.K D Bernard
- 2.Mr.G. U. K. Algewattage
- 3.Mr.Rohan De Silva
- 4.Mr.B. R. L. Gunawardana
- 5.Mr.K. B. Hiran De Silva
- 6.Mr.Kaushalya Nawarathne
- 7.Mr.C. W. K. Dharmasena- Treasury Representative

MANAGEMENT TEAM

1. **LOREEN DE SILVA**

Head of Legal & Human Resources/Secretary to the Board

Mrs. Loreen De Silva joined JCT Limited in 2009 as the Legal Officer/Secretary to the Board of Directors of Jaya Container Terminals Limited. She is an Attorney-at-law by profession, graduate from the Faculty of Law, University of Colombo and she holds a Master Degree in Law and a Postgraduate in HR from the University of Colombo. She served in the Ministry of Human Rights and Disaster Management and the Human Rights Commission of Sri Lanka prior to joining JCT Limited. She was promoted to the Head of HR & Legal in 2016.

2. **SUGANDIKA M. LANSAKARA**

Head of Finance

Mrs. Sugandika Lansakara joined JCT Limited in July 2009 as the Accountant. She is a Management Accountant and is an Associate Member of the Chartered Institute of Management Accountants (ACMA) (CGMA). She also holds a B.Sc in Finance (Sp) Degree from the University of Sri Jayawardenapura. She was promoted to the post of Head of Finance in the year 2012.

3. **NALIN WITHANAPATHIRANA**

Head of Engineering

Mr. Nalin Withanapathirana joined JCT Limited in February 2010 as the Mechanical Engineer. He is a Mechanical Engineer and is an Associate member of the Institution of Engineers Sri Lanka (IESL). He also holds a B.Sc Degree in the field of Mechanical Engineering from the University of Peradeniya. He was promoted to the post of Head of Engineering in year 2012.

4. **NALINDA RAJASINGHE**

Head of Business Development and Operations

Mr. Nalinda Rajasinghe joined the JCT Ltd in June 2010 as the Head of Operations and Business Development. He is following the PhD at the University of Colombo and a MBA holder (Master of Business Administration) from the University of Sri Jayawardenapura. He also holds a management degree (BBA- Bachelor of Business Administration) from the University of Colombo.

DIVISIONAL PERFORMANCE

1. Operations Division

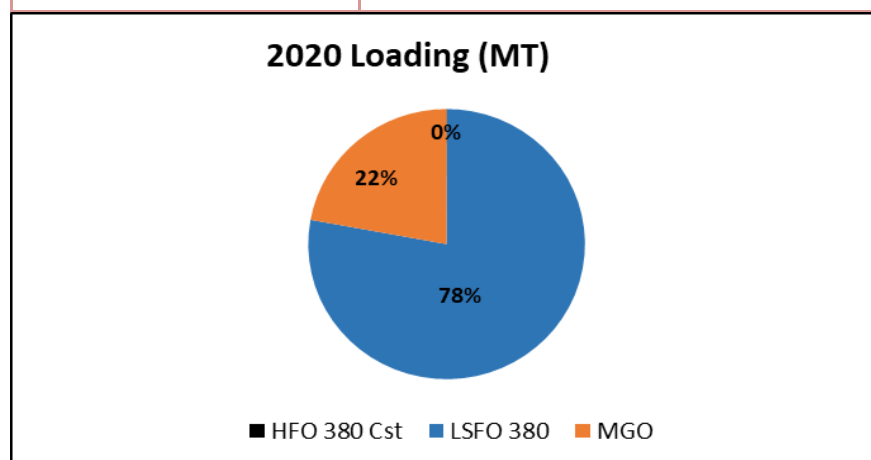
The Bunker License Holders import and discharge marine bunker fuel to the Colombo Oil Bank through the Port of Colombo, subject to the payment of applicable charges. JCT Ltd will provide storage facilities and handling facilities to discharge fuel from tankers moored by the user and load the fuel onto bunker barges. Currently there are eight (8) bunker license holders operating with the Colombo Oil Bank. Following products are stored in fuel tanks of JCT Limited.

- Low Sulphur Fuel Oil (LSFO) 380 Cst
- Marine Gas Oil (MGO)

2020 Loading data analysis

The below table and chart show the loading analysis of year 2020.

Product	2020 Loading (MT)
HFO 380 Cst	263.795
LSFO 380 Cst	294,550.843
MGO	83,726.283

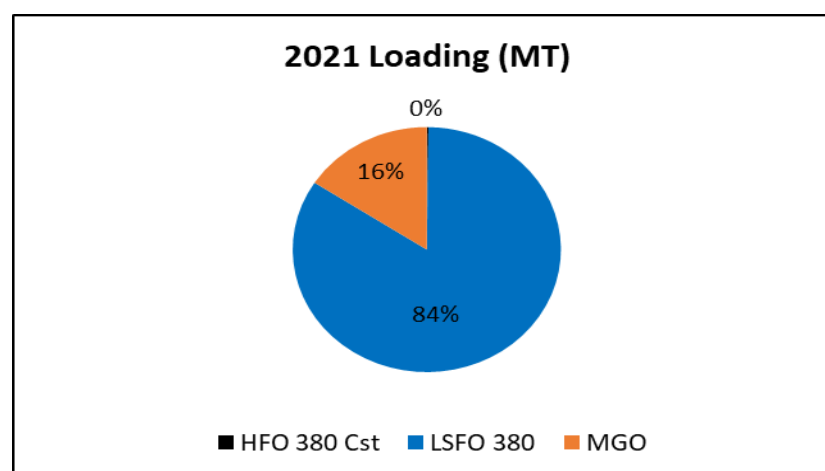


According to the above table and the chart, LSFO 380 Cst product represent 78% from the total loading quantity and MGO and HFO 380 Cst has become 22% and 0% respectively in 2020.

2021 Loading data analysis

The below table and chart show the loading analysis of year 2021

Product	2021 Loading (MT)
HFO 380 Cst	740.541
LSFO 380 Cst	329,633.159
MGO	61,975.947

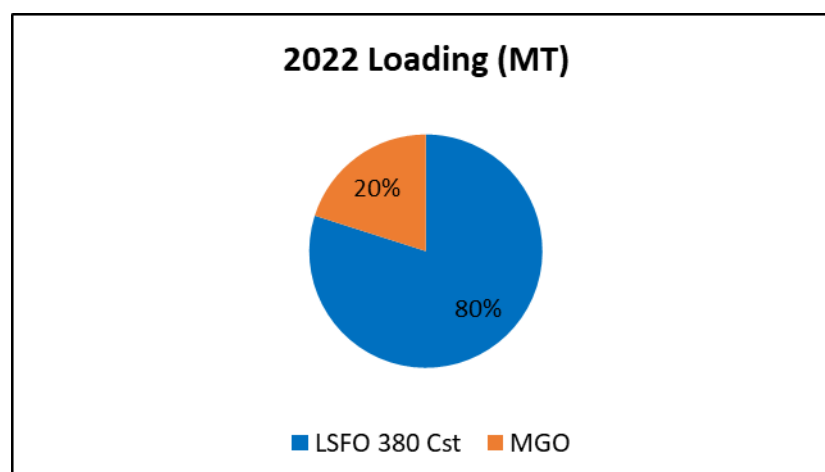


According to the above table and the chart, LSFO 380 Cst product represent 84% from the total loading quantity and MGO and HFO 380 Cst has become 16% and 0% respectively in 2021.

2022 Loading data analysis

The below table and the graph shows the loading analysis of the year 2022.

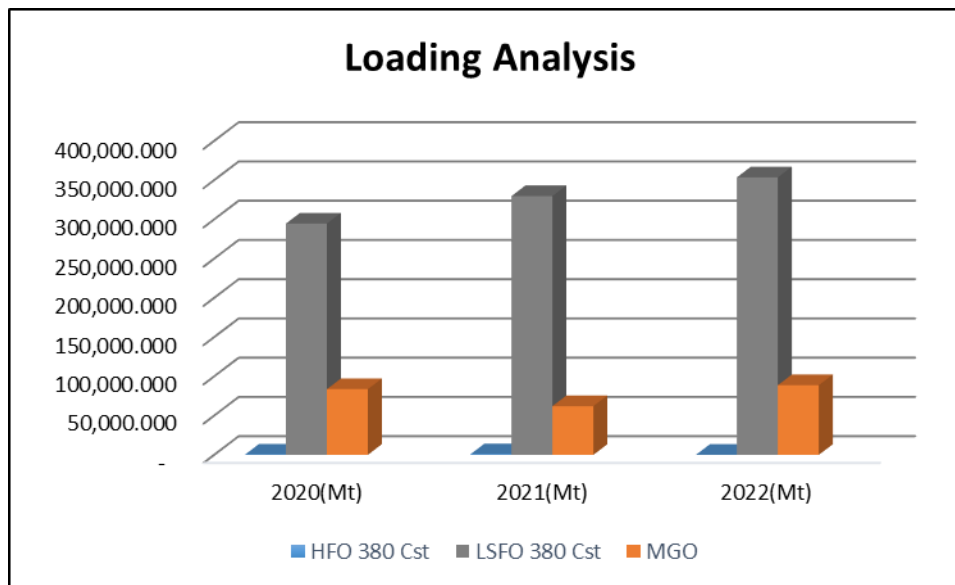
Description	2022 Loading (MT)
LSFO 380 Cst	353,502.598
MGO	88,803.146



According to the above table/chart, LSFO 380 Cst product represent 80% from the total loading quantity and MGO has become 20% in 2022.

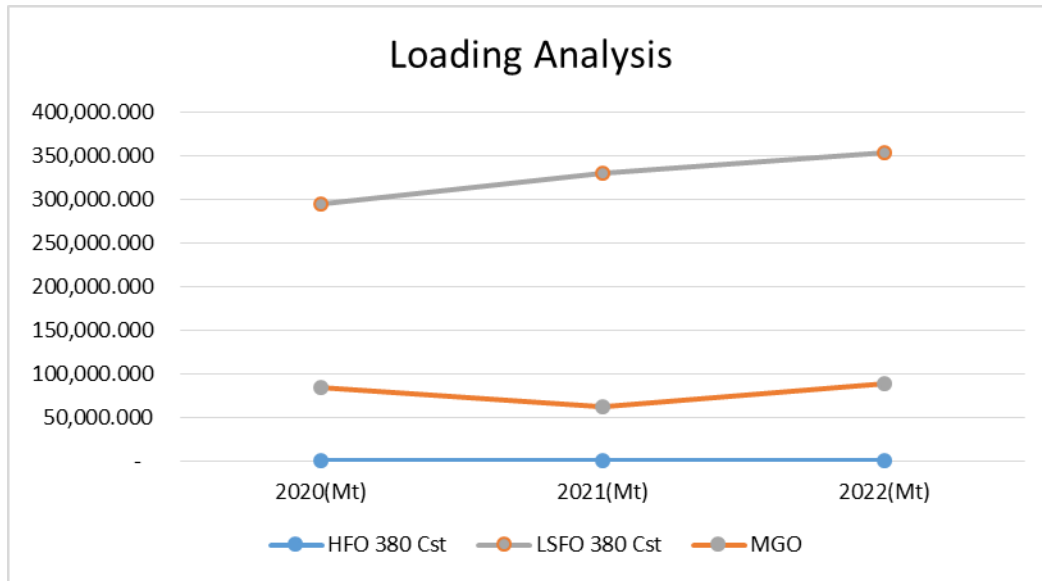
Comparison of Loadings:

Product	2020 (MT)	2021 (MT)	2022 (MT)
HFO380 Cst	263.795	740.541	-
LSFO 380 Cst	294,550.843	329,633.159	353,502.598
MGO	83,726.283	61,975.947	88,803.146
TOTAL	378,540.921	392,349.647	442,305.744



By analyzing the loading data from 2020 to 2022, the major variations of loadings in all products and the performance of operations can be identified. According to the loading data in 2020, total loading of LSFO is 294,550.843Mt while total loading of MGO is 83,726.283Mt. But in 2021, the total loading quantity of LSFO 380 Cst has increased by 35,082.316 MTs over 2020 and it has increased by 23,869.439Mt in 2022 than 2021.

Total loading of MGO in 2020 is 83,726.283Mt while it has decreased by 21,750.336Mt in 2021. The total loading of MGO in 2021 is 61,975.947Mt while it is in 2022 is 88,803.146Mt. It is an increase of 43.28% than 2021. The main reason for this situation is that the decision taken by the government to give permission for Bunker License Holders as private sector to supply fuel to local exports and power generation companies under the current fuel crisis in the country.



Domestic Fuel Supply by Tank Trucks in 2022

According to the decision taken by the government during the fuel crisis in the country, the quantity of metric tons supplied by Tank Trucks by JCT Limited to local exports and power generation companies are as follows;

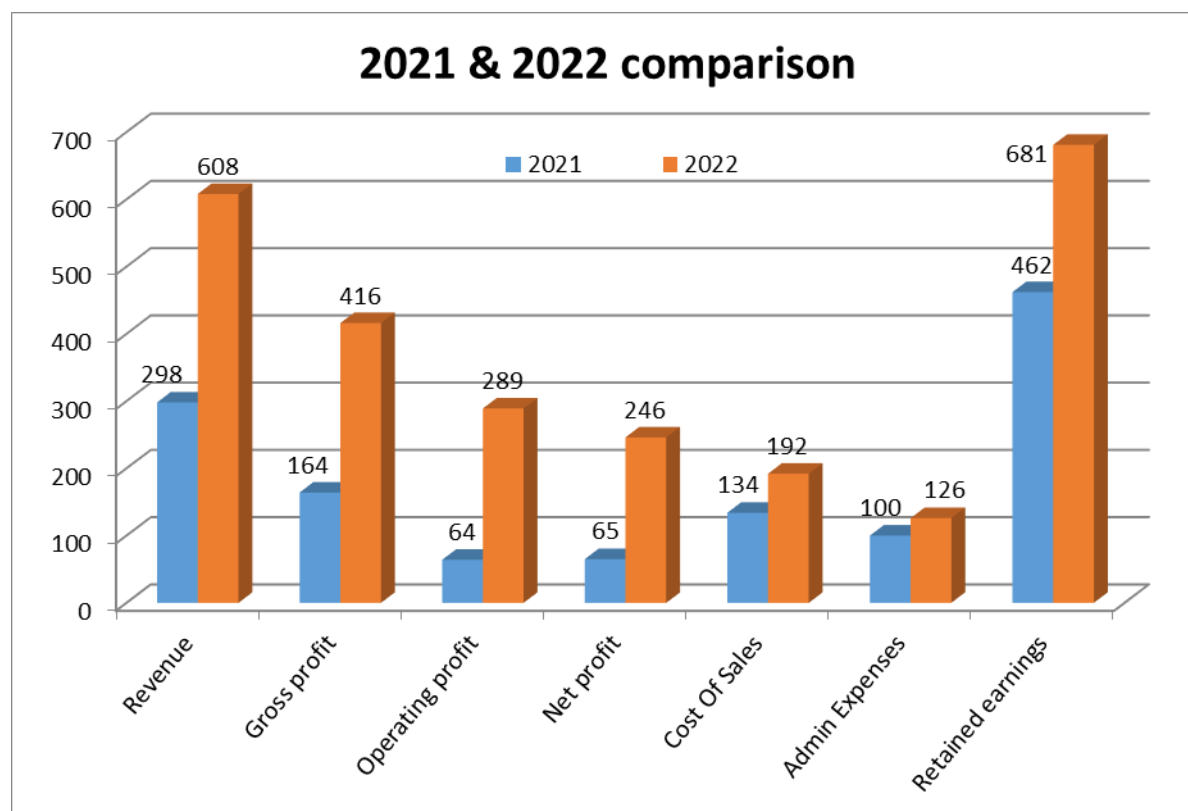
MONTH	LSFO (Mt)	MGO (Mt)	TOTAL (Mt)
APRIL	124.140	1,487.848	1,611.988
MAY	800.757	2,922.038	3,722.795
JUNE	2,032.117	4,836.262	6,868.379
JULY	1,442.125	9,501.068	10,943.193
AUGUST	2,480.490	7,881.792	10,362.282
SEPTEMBER	3,199.365	4,631.140	7,830.505
OCTOBER	2,112.290	3,265.372	5,377.662
NOVEMBER	1,043.227	2,972.348	4,015.575
DECEMBER	751.707	2,894.038	3,645.745
TOTAL	13,986.218	40,391.906	54,378.123

2. Finance Division – Financial Review

The financial year 2022 was tense with many challenges to enforcement with regulatory changes. JCT Limited has achieved its first-ever highest revenue and profits in the year 2022. Revenue has increased from 298 Mn to 608 Mn which is a 104% increase and profits have increased from Rs.65 Mn to Rs.245.6 Mn which is 275% increase. Reasons for increasing revenue are mainly the exchange rate fluctuations, Supply of fuel oil for the local market through tank trucks and providing facilities for high sulphur floating storage etc. Loading for year 2021 was 392,350 MT and for 2022 it was 442,305 MT. There is a 11.29% increase in throughput when compared to year 2021.

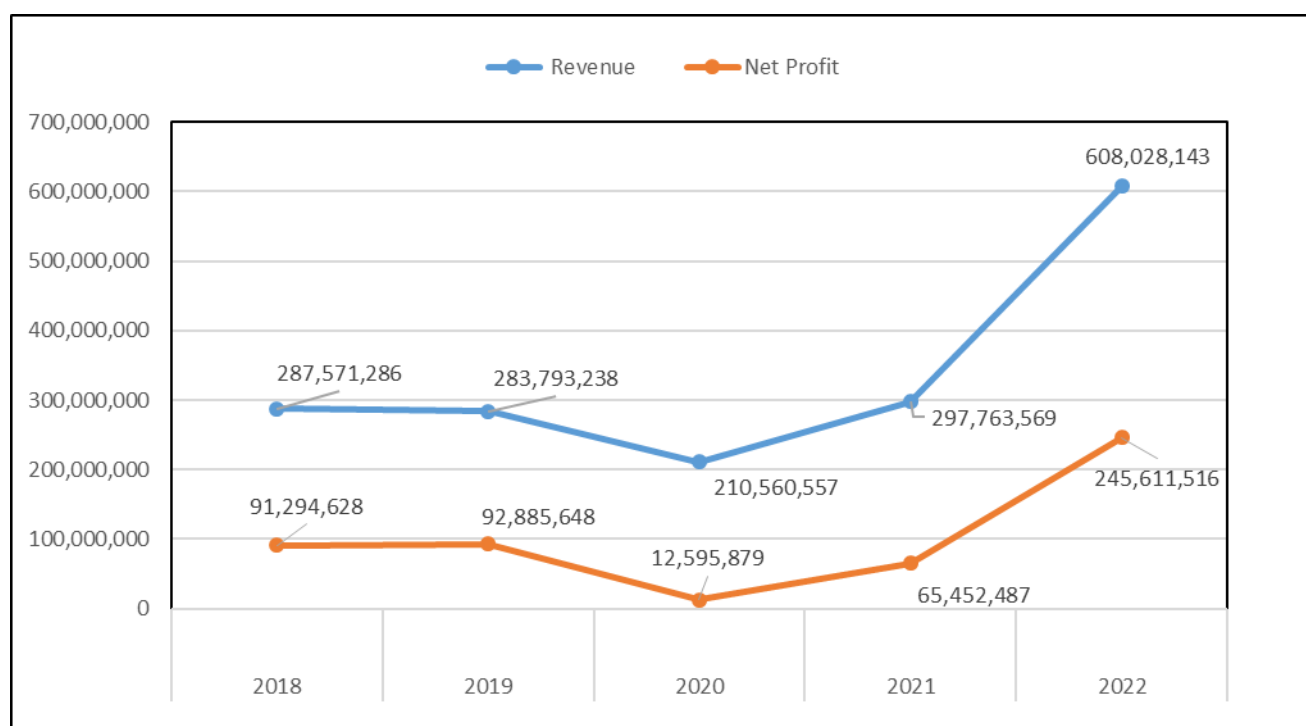
JCT Limited has recorded a profit before tax of Rs.325 Million in the year 2022. Finance income is Rs. 49 Million which is 187% increase compared to 2021. Due to the increase in income tax rates, income tax expenses have increased up to Rs.79.5 Mn. Income Tax rate was increased from 14% to 30%. Retained earnings of the Company has increased from Rs.462 Mn to Rs.681 Mn. There is a favorable financial position achieved by the company during year 2022.

Below graph shows the comparison of main financial data of year 2021 and year 2022



Following table illustrates the financial progress of the Company during last five years

Year	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenue	287,571,286	283,793,238	210,560,557	297,763,569	608,028,143
Gross Profit	144,242,855	138,245,036	87,521,475	163,978,255	415,846,116
Operating Profit	63,304,163	54,545,170	-1,695,868	63,858,028	289,387,021
Net Profit	91,294,628	92,885,648	12,595,879	65,452,487	245,611,516



JCT Limited has recorded Rs.608.02 million revenue in the year 2022 and has recorded a profit before tax of Rs.325.12 million in year 2022. Finance income is Rs. 49.48 million which is a 187% increase compared with year 2021. JCT Limited's fixed deposits have increased from Rs.263Mn to Rs.521Mn in 2022. Also retained earnings of the Company has increased from Rs.462.05Mn to Rs.680.78M. The company's net profit is Rs.245.61 million in year 2022 which is 275% increase compared to year 2021. Also Earning per share has increased from 654.52 to 2456.12.

Below ratio analysis indicates the favorable condition of the company's financial position during the year 2021 & 2022

	<u>2021</u>	<u>2022</u>
1. Gross profit Margin	55.07%	68.39%
2. Net profit Margin	21.98%	40.39%
3. Return on Capital Employed	14%	41%
4. Current Ratio	9:1	4:1
5. Gearing	23.3%	39.95%
6. Earnings Per Share	654.52	2456.12

3. Engineering Division

The main responsibility of the Engineering Division is to plan and carryout proper maintenance programs for the engine pumps, fuel storage tanks, boilers, Generator, fuel distribution pipe lines, buildings, vehicles and other machinery & equipment. In addition, the engineering division is responsible for all mechanical fabrication work, civil & electrical engineering work, fire & safety of the oil terminal and yard maintenance work etc.

Major projects carried out during the period of 2021-2022

a) **Construction of 3200MT Capacity fuel storage tank**

A decision has been taken to construct a 3200MT capacity fuel storage tank for bunkering low sulphure marine fuel. Fabrication work was commenced on October 2020 and completed on December 2021. The project completion was delayed due to sudden curfew imposed by the government due to the COVID-19 pandemic and the isolation of the concerned area time to time during the period of October –December in the year 2020. Tender documentation work was handled by the SLPA and the total project cost is Rs. 100 million which is funded by JCT Ltd.



(b) Creating of New berthing facilities at Port of Colombo

The Total bunker market volume in Colombo Port is at an average of 55,000-60,000 MT a month. Registered Bunker license holders (BLH) of JCT Ltd have made continuous requests to allocate separate tanker berthing jetty/ space at the port of Colombo because their tankers had to wait out of harbor until clearance is obtained at the New north pier (NNP) and also BLH had also made requests to facilitate berthing higher draft barges which was not available for barge loading at the JCT. Considering of above issues, steps have been initiated by SLPA in year 2021 to extend the south jetty fuel pipe lines up to UCT terminal of the port of Colombo for the purpose of Loading & discharging operation. Pipe laying & fabrication work of 02 jetties at UCT were completed in year 2022.



(c) Construction of two Nos of 12000MT capacity Tanks

The total bunker market volume in the Colombo Port is at an average of 55,000MT-60,000 MT per month. Registered Bunker License Holders (BLH) of JCT Ltd have made continuous requests to increase the storage capacity of the Colombo Oil Bank.

Considering the future predicted demand over the next few years, a decision was taken at the board meeting held on 18th September 2020 to nominate a Technical Committee comprising with officers from the JCT Ltd & SLPA and proceed with required activities through the said committee. Accordingly, committee has identified a land area to construct two Nos of 12000MT capacity fuel storage tanks and the soil investigation test was carried out in the identified land area. Clearances from the CPC, CEB, RDA, Ministry of Defense, MEPA, NWS & DB, CMC Fire Department & Storm Water and CEA were obtained and Urban Development Authority (UDA) was issued the Development Permit prior to the commencement of construction work.

SLPA had taken steps to select investors for long term lease of lands for the establishment and operation of fuel storage tanks/facility in Colombo Oil Bank premises and adjacent area under the above program.

M/S Coral Energy DMCC & M/S A.B.C.C. Phoenix Shipping (Pvt) Ltd together submitted a Technical and Financial Proposal on 16.12.2022 in response to the bid invitation dated 21.10.2022 by the SLPA. Upon successful bidding rounds and negotiations, the consortium was selected as the successful bidder by SLPA.

Accordingly, The Board of Directors of the SLPA issued the Letter of Award to the Joint Venture in order to establish and operate 12000MT capacity Fuel Storage Tanks/Facilities in the Colombo Oil Bank premises on a 32 years long-term lease basis.

Fire & safety of the Blomendhal Oil Terminal.

1. Fire Drills

- Two Successful Joint Fire Drills were conducted in year 2022 with the participation of SLPA, CMC & JCT Fire & Safety Officers.



2. Advance Fire & first Aid Training programs

Steps had been taken to conduct Advanced fire and first aid Training programs through the St Johns Ambulance Association & Colombo municipal council (CMC) fire & rescue training Institute.



4. LEGAL & HUMAN RESOURCES DIVISION

As the managing body of its employee's lifecycle of Jaya Container Terminals Limited the Legal & HR Division is committed to operate to its fullest capacity by utilizing its team members effectively and efficiently in order to achieve organizational goals and objectives adapting to new trends and technologies.

Human Resources

The division consists of the Head of Division, an Executive, 1 Personal Secretary, 3 Clerks, 01 Management Assistant and 7 Office Aids as at 31.12.2022. The main functions of the division are recruiting and hiring staff, develops the company's recruitment and organizational strategies, .Oversee and manage benefits and compensation, handle conflicts, managing and improving of organizational communication, disciplinary actions, and terminations, tracking employee performance, managing the organizational culture, keeping records of attendance & leave, providing records on time to the finance division to prepare salaries, Create a safe and inclusive work environment, initiate employees' welfare amenities, preparing of documentations for EPF / ETF, arranging staff training, handling legal matters and board secretarial work etc. The total work force of the company as at 31.12.2022 was 104 employees including 13 nos contract employees 01 nos of employees retired whilst 04 resigned and 01 termination of contract employment.

Compensation & Benefits

Employees of JCT Limited are privileged to obtain an in-house medical aid benefiting 03 other family members under the Medical Aid Scheme, for a maximum of hospitalization treatment up to Rs.200,000/- Employees obtained hospitalization treatment during the year 2022 amounting to a sum of Rs.2,940,555.15 and in addition to that Rs. 691,652.73 was paid for reimbursement of medical treatment, Rs.372,888.50 for reimbursement of medical tests and Rs.45,000.00 for spectacles. Employees are permitted to obtain treatment from the Medical Center of the Sri Lanka Ports Authority and transport facility is provided from Blomendhal terminal to SLPA. Accordingly, Rs.1,029,647.86 incurred for providing medical facilities for employees during the year 2022.

All employees in the company are covered with 24 hrs personal accident insurance cover and no claims have been made under the Workmen Compensation Act up to date.

Considering the request made by the employees a housing loan facility up to Rs.2Mn was introduced in the year 2018 and continued up to year 2022 as well with the facilitation of Bank of Ceylon. Under this program from 2018 up to 2022 08 employees were granted the said loan. In addition to that the distress loan (10-month salary), Rs.500,000.00 multipurpose loan and Rs.10,000.00 and Rs.5,000 New year loan were granted at the rate of Rs.4.2% and 10% interest respectively.

Under death benefit scheme a sum of Rs.170,000 is paid in total for a death of an employee /father /mother/father-in law/ mother-in-law. And also, children of all permanent employees are prevailed to obtain financial assistance under the University Scholarship Programme.

Training

The Legal & HR Division organized few training programs for employees during the year 2022 by adhering to COVID 19 pandemic health guidelines. Approximately 50 employees were participated these programmes and we have managed to motivate and encourage staff to ensure provide their best input for the company in productive manner. The Legal & HR division is looking forward to conduct more training sessions in future.

Payroll

All relevant records and details are submitted accurately in a timely manner to the finance division in order to run and operate the monthly payroll of the company.

Legal /Board Secretarial

With regard to legal functions, Head of Legal & HR/ Secretary to the Board coordinates with the legal division, SLPA. Legal advice /services are obtained from the unofficial bar as per the instructions / approval given by the board of directors when necessary. Unions and other associations are facilitated to carry out their functions/activities by the Legal & HR Division by arranging discussions with employees to discuss their issues when required. Head of Legal represented the company before the Labour Department, Labour Tribunal and any other courts on behalf of the company. During the year 2022, 01 Court of Appeal case, 01 Arbitration and 3 inquiries at Commissioner of Labour have been handled by the Head of Legal & HR.

Further, the division arranged and convened board meetings, prepare board books, board memos etc. on monthly basis pertaining to board secretarial work. As per the provisions of Companies Act No 07 of 2007 steps have been taken to arrange Annual General Meeting and filling required forms with the Registrar of Companies.

Transportation

the transport section comes under the Legal & HR Division with 9 drivers as at 31.12.2022, and functioned timely and efficiently utilizing the pool/assigned vehicles.

There are 02 nos pool vehicles, 5 assigned vehicles and 01 rented vehicle which are assigned for the officials of the company. Maintenance of the company vehicles were attended to appropriately on time.

The department staff was competent enough to manage and provide transportation to the employees of the company specially during the COVID-19 pandemic period in a timely manner.

CORPORATE GOVERNANCE

Corporate Governance is the system by which organizations establish a mechanism for the effective utilization of resources, direction and control of the organization, in the best interests of all its stakeholders. The primary responsibility for good governance lies with the Chairman and the Board of Directors of the Company. The responsibilities of the board include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship.

The Board of Directors is also responsible for the governance of the Company. The Company continues to place considerable emphasis on developing rules and regulations, structures and processes to ensure good practices.

The methods by which the Company has applied the principles of good Corporate Governance practices during the financial year 2022 have been through the corporate decisions of the Board of Directors, scrutiny by Audit Committee and internal Audits by following the directives given by the General Treasury and Ministry of Ports & Shipping and through compliance of statutory and legal requirements.

AUDIT COMMITTEE REPORT

“The Committee assists the Board in discharging its responsibilities by satisfying the Board oversight responsibilities for financial reporting, internal controls and risk management, compliance with legal and regulatory requirements, external audits and the adequacy and performance of the Internal Audit function of the Company.”

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

The Board Audit Committee (“the BAC”) consists of three Non- Executive Directors, a majority of whom are independent and in line with the composition requirements specified by the regulator. The attendance and Directorship status are given in the below table.

Name	Description Status	Membership	Attendance	Time Frame
Mr.M.A.L.S.N.K. Manthrinayake	Independent Non-Executive Directors (Representative of Treasury)	Chairman	2/2	January – February 2022
Mr. A.Priyantha	Independent Non-Executive Directors	Member	0/2	January – February 2022
Mr. R.P.A.Niroshan Siriwardana	Independent Non-Executive Directors	Member	2/2	January – February 2022
Mr.Dilshan Silva	Independent Non-Executive Directors	Member	2/2	January – February 2022
Mr.K.A.A.Kulathunga	Audit Superintendent (Representative of Auditor General)	Observer	4/4	January – December 2022
Mr. S Herman Fernando	Chief Internal Auditor (Ministry of Port and Shipping)	Observer	1/1	January 2022
Ms.N.A Himali Kamla Wijerathna	Chief Internal Auditor (Ministry of Port and Shipping)	Observer	3/3	February - December 2022
Mr. K D Bernard	Independent Non-Executive Directors	Member	1/2	October – December- 2022
Mr.B R L Gunawardana	Independent Non-Executive Directors	Member	2/2	October – December- 2022
Mr.C W K Dharmasena	Independent Non-Executive Directors (Representative of Treasury)	Chairman	2/2	October – December- 2022

Regular Attendees by invitation Managing Director and Head of Divisions.
Secretary to the Committee Internal Auditor- JCT Ltd

OBJECTIVES

The Committee is empowered by the Board of Directors to:

- Ensure that the financial reporting system is well managed and effective to provide accurate and timely financial information to the Board of Directors, regulators and shareholders.
- Review the appropriateness of the accounting policies and ensure adherence to statutory and regulatory compliance requirements and applicable accounting standards.
- Examine the appropriateness, efficacy, and efficiency of risk management, internal controls, and governance systems established to prevent, mitigate, or transfer present and evolving risks.
- Ensure that the conduct of the business follows the applicable laws and regulations of the country and falls within the policies and procedures of the Company.
- Ascertain that the Company adopts and follows strong corporate governance standards, Confirming the highest ethical standards and best industry practices in the best interests of all Stakeholders.
- Monitoring all areas of internal and external audits in order to provide findings and recommendations to management.
- Prior to submission to the Board, review the Company's Annual Financial Statements to ensure the integrity of the financial statements prepared for disclosure.
- Ensure that the impact of new accounting standards are discussed and disclosures.
- Monitoring and reviewing the activities and performance of the internal, external and out-sourced auditor /s, including monitoring their independence and objectivity.

ACTIVITIES IN 2022

01.Meetings:

The Audit Committee conducted four (4) meetings during the year. The attendance by the Committee members at each of these meetings is given in the above table. Representatives of the Company's External Auditor, Government Auditor also participated at 4 meetings by invitation as an observer. The Committee also invited Senior Management of the Company to participate in the meetings from time to time as required.

02. Internal Audit, Risks and Control

The Committee monitors the effectiveness of the internal audit function and is responsible for ensuring the effectiveness of the internal control systems of the Company.

During the year, the Committee reviewed the internal audit plan and recommended changes, the progress was monitored on regular basis.

Internal auditing involves all functions of the Head Office as well as all South jetty activities and includes an evaluation of the adequacy, effectiveness and efficiency of internal controls, as well as the actions taken to minimize operational and business risks. In addition, Internal auditing monitors and reports on compliance with statutory regulations and the Company's accounting and operational policies. The internal audit representatives are present at the Audit Committee meetings when discussions are conducted with regard to their respective audit reports.

The Committee was assured that the Internal Audit function is independent and that its audit functions are performed with impartiality, competency and with professional care.

The Committee annually evaluates the independence and resources of the Internal Audit Function. The Internal Audit Strategy which comprises of progress, key audit findings, results and will provide the recommendation to the board of the Jaya Container Terminals

JAYA CONTAINER TERMINALS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2022



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

PAS/C/JCTL/1/2022/2

මගේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

17th May 2023

Chairman,
Jaya Container Terminal Limited

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Jaya Container Terminal Limited for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act No. 19 of 2018.

Above said the report has been sent herewith.



W.P.C. Wickramaratne
Auditor General

- Copies:
1. Secretary, Ministry of Finance
 2. Secretary, Ministry of Port, Shipping & Aviation
 3. Chairman, Sri Lanka Port Authority



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

PAS/C/JCTL/1/2022/2

මගේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

17th May 2023

Chairman,
Jaya Container Terminal Limited

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Jaya Container Terminal Limited for the year ended 31 December 2022 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 Jaya Container Terminal Limited for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and statement of comprehensive income, statement of profit and loss, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 and the Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, the accompanying financial statements of the Company give a true and fair view of the financial position as at 31st December 2022 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards except the matters described in the part the basis for the qualified opinion in my report.

1.2 Basis for the Qualified Opinion

- (a) According to the complaint made by the employees regarding the due cost of living arrears, the Department of Labour has ordered to pay Rs. 19,164,600 to the employees and informed that the relevant amount should be paid to the Department of Labour on or before 17th May 2021. The Company has submitted an appeal to the Department of Labour on 11th July 2022 regarding the said order. However, necessary disclosures had not been made in the financial statements 2022 as per Sri Lanka Accounting Standard 37.
- (b) If the average space allocated for a Bunker license holder has not utilized within one quarter, a penalty should be collected and the penalty of Rs. 1,007,158 that should be entitled to the Company from penalty collected for the year 2022 as per the computation of the Company has not been taken to the financial statements.



(c) It is not simple and clear the criteria 6.1 section that should be used to compute the penalty of the tariff register of the agreement signed by the company with the Bunker license holder and the fees method in the years 2021 and 2022 have been changed. That is, if the average space utilization used in one quarter in the year 2021 is less than the agreed minimum spaces utilization, 10 USD +VAT+NBT has been collected per month and in the year 2022, it has been collected at 10 USD per month for 1MT for one part from twelve of the reserved spaces utilization mentioned in the annexure 04 of the agreement. Therefore, due to the uncertainty of collection of the fees, it was unable to compute that income correctly in the year 2022.

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 included in the Company's 2022 Annual Report

The other information comprises the information included in the Company's 2022 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

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

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the company's 2022 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

1.4 Responsibilities of Management and Those Charged with Governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Company's financial reporting process.

As per 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 is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate 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 my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 and Companies Act, No. 07 of 2007 include specific provisions for following requirements.

2.1.1 According to the requirement of the section 163 (2) (d) of the Companies Act 07 of 2007 and the section 12 (a) of the National Audit Act, No. 19 of 2018, I have obtained all the information and explanation that considered necessary for the purpose of audit and the proper accounting records have been kept by the Company as my test shows.

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

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained which limited to matters that are material, nothing has come to my attention;

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 course 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 has not complied 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 except for;

Reference to Low/Direction

Observation

(a) Section 3 (1) of the Social Security Contribution Act No: 25/2022 dated 20th September 2022

Even though the relevant taxes should be collected for the charges collected for the services supplied by the institute from 01st October 2022 and remitted to the Department of Inland Revenue, a tax amount of Rs. 2,960,567 has not been collected for the oil supplied to the ships of which is one service of the company.

(b) Section 3 of the Part I of Shops and Office Employees Act No: 19 dated 9th August 1954.

If any institute deploys the employees in shift method, it should be limited to a maximum of 8 hours per day and 45 hours per week. However the company has deployed 40 employees in the 24 hour shift method for operational activities in the year 2022 as not compliance to it and the service obtained only for 02 days in a week.



(c) Section 9.8 (D) of Government Procurement Guidelines Manuel 2006

Even though the permission is not given to submit bids in electronic media, bids invitation had been prepared and submitted with noncompliance for 03 occasions of purchasing worth Rs. 12,763,559 by mentioning that email (jctfinance@gmail.com) can be used to submit bids.

(d) Section 3 (D) of the circular issued by the Secretary of the Ministry of finance, economic and policy development bearing No: PRD 01/2020 dated 27th January 2020

To provide an efficient service to the people by the company, new budget and expenses programmes should be prepared as receiving a maximum benefit to the cost and even though it has been mentioned that publishing of advertising notices is a matter that should be specially controlled, Rs. 3,506,624 has been expended on 19th January 2022 for a ceremony including Rs562,864 newspaper advertisements regarding the opening of oil tanks.

(e) Operational Manuel for the Public Enterprises issued with the Public Enterprises Circular bearing No: 01/2021 dated 16th day of November 2021.

(i) Section 3.2 (ii)

A formal scheme of recruitment for the company has not been prepared and the relevant approval for it have also not been obtained,

(ii) Section 3.3 (ii)

Even though every Public Enterprise should have been prepared organization chart with the approved cadre, the company has not fulfilled that requirement.

(f) The letter issued Secretary of the Ministry of finance, national policy and economic affairs bearing No: NP/SP/SDG/ 17 dated 14th August 2017

Every Public Enterprise should act according to the United Nations sustainable development year (“2023 Agenda”, necessary actions have not been taken to identify the sustainable development goals, targets, and how to achieve those targets and the indicators to measure the targets.



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

- 2.2.3 To state that the Company has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.
- 2.2.4 To state that the resources of the Company 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.

The national competitive bidding method has not been used for the procurement of Loading Arm instrument used for the supply works of oils with technical nature worth Rs. 6,420,000 purchased by the company. Even though the nature of the goods that should be procured by using the method 3.4.1 (a) of procurement guidelines manual has been clearly mentioned, The use of shopping method is a non-compliance to the provisions 1.2.1 (c) of procurement guidelines manual without using national competitive bid procedure.

2.3. Other matters

- (a) As at 31 December 2022, 275 MT of 380 (HSFO) oil had been stored in the oil tank with the capacity of 1100MT bearing No: 105 Tank. There were 72MT owned to Sri Lanka Port Authority, 40 MT owned to private licensed institute and 162MT retained by the Sri Lanka Customs. Since the Customs has seize this oil tank, it was in vain and cannot be used for operational works.
- (b) Due to none removing of 72.726MT of HFO oil owned to Sri Lanka Port Authority and which was stored from the year 2018 in the company tank No: 102, even though the approval has been received according to the decision of board of directors bearing No: JCT/12/2021 and dated 26th January 2021 to auction under the approval of the Sri Lanka Customs, that task has not been completed up to now.



W.P.C. Wickramaratne
Auditor General

STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2022

	Notes	2022 Rs.	2021 Rs.
Revenue	3	608,028,143	297,763,569
Cost of Sales	25	(192,182,027)	(133,785,314)
Gross Profit		415,846,116	163,978,255
Administrative Expenses	26	(126,459,095)	(100,120,227)
Operating Profit/(Loss)		289,387,021	63,858,028
Non Operating income		291,563	3,704,695
Finance Income	4.1	49,481,953	17,230,071
Finance Cost	4.2	(14,033,063)	(4,825,720)
Profit Before Tax		325,127,474	79,967,074
Income Tax Expense	14	(79,515,958)	(14,514,587)
Profit for the Year		245,611,516	65,452,487
Earnings Per Share	16	2456.12	654.52

The accounting policies and notes on pages 8 through 25 form an integral part of the Financial Statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME
Year ended 31 December 2022

	<u>Notes</u>	2022 Rs.	2021 Rs.
Profit for the Year		245,611,516	65,452,487
Other Comprehensive Income			
<i>To be reclassified to profit or loss in subsequent period</i>			
Actuarial Gain/(Loss) on Defined Benefit Plans	12	(5,401,659)	2,215,544
Other Comprehensive Income for the Year Net of Tax	12	<u>(5,401,659)</u>	<u>2,215,544</u>
Total Comprehensive Income for the Year Net of Tax		<u>240,209,857</u>	<u>67,668,031</u>

The accounting policies and notes on pages 8 through 25 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	2022 Rs.	2021 Rs.
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	5	63,975,201	67,440,354
Right of use assets	5	27,685,183	31,136,144
Deferred Expense for 3200MT Tank & Fire foam	5	152,554,415	137,881,056
<u>Financial Assets</u>			
Loans granted to employees	6	38,259,621	32,768,530
		244,214,799	236,457,554
Intangible Assets			
	5	290,000	-
		290,000	-
Current Assets			
Closing Stocks		4,654,482	2,296,796
Trade and Other Receivables	6	104,537,836	50,156,667
Other Current Financial Assets	7	398,128,670	216,812,695
Cash & Cash Equivalent	8	164,064,531	69,123,451
		671,675,519	371,158,139
Total Assets		954,149,940	607,615,693
EQUITY AND LIABILITIES			
Stated Capital	9	1,000,000	1,000,000
Retained Earnings		680,787,987	462,055,920
Total Equity		681,787,987	463,055,920

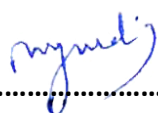
Non-Current Liabilities

Interest Bearing Loans and Borrowings	10	85,198,610	84,075,493
Finance Leasing obligation	11	3,508,659	8,248,692
Employee Benefit Liability	12	<u>19,212,174</u>	<u>12,130,412</u>
		<u>107,919,443</u>	<u>104,454,597</u>

Current Liabilities

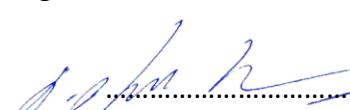

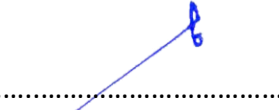
Interest Bearing Loans and Borrowings	10	11,301,600	11,301,600
Finance Leasing obligation	11	4,740,033	4,431,058
Income Tax Payable	14	66,893,229	3,398,366
Deferred Tax Liability	15	6,504,280	2,988,561
Other Payables	13	<u>75,003,368</u>	<u>17,985,591</u>
		<u>164,442,510</u>	<u>40,105,176</u>
Total Equity and Liabilities		<u>954,149,940</u>	<u>607,615,693</u>

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.



Financial Officer

The Board of Directors are responsible for the preparation and presentation of these Financial Statements. The Accounting policies and notes on page 8 through 25 form an integral part of the Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.

Chairman Director Director

17.02.2023

Colombo

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022

	Notes	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31st Dcember 2020		1,000,000	394,387,889	395,387,889
Profit for the year			65,452,487	65,452,487
Other Comprehensive Income for the Year Net of Tax	12		2,215,544	2,215,544
Balance as at 31 December 2021		1,000,000	462,055,920	463,055,920
Profit for the year			245,611,516	245,611,516
Other Comprehensive Income for the Year Net of Tax	12		(5,401,659)	(5,401,659)
Dividend paid			(15,000,000)	(15,000,000)
Surcharge tax paid	14.1		(6,477,790)	
Balance as at 31 December 2022		<u>1,000,000</u>	<u>680,787,987</u>	<u>688,265,777</u>

The accounting policies and notes on pages 8 through 25 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS
Year ended 31 December 2022

	Note	2022 Rs.	2021 Rs.
Cash Flows from Operating Activities			
Net Profit Before Income Tax Expense		325,127,474	79,967,074
Adjustments for			
Depreciation	5.0	13,674,734	10,383,570
Amortization	5.4	5,274,242	-
Interest Received	4.1	(49,481,953)	(17,230,071)
Provision for Employee Benefit Liability	12.0	2,544,031	2,245,391
Gain on disposal of fixed assets		-	(2,400,000)
Finance Cost	4.2	14,033,063	4,825,720
Operating Profit Before Working Capital Changes		311,171,591	77,791,684
(Increase)/Decrease in Stocks		(2,357,686)	(651,299)
(Increase)/Decrease in Trade and Other Receivables/Loans to employees		(59,872,260)	(11,932,543)
Increase/(Decrease) in Other Payables		57,017,770	(2,876,959)
(Increase)/Decrease in other current financial assets		(181,315,976)	(31,392,364)
Cash Generated from Operations		124,643,439	30,938,519
Finance Cost Paid	4.2	(14,033,063)	(4,825,720)
Income Tax Paid		(12,505,367)	(8,764,066)
Surcharge tax paid		(6,477,790)	-
Employee Benefit Liability Paid	12.0	(863,930)	(1,741,176)
Net Cash from Operating Activities		90,763,289	15,607,557



Cash Flows from Investing Activities

Acquisition of Property, Plant and Equipment	5.0	(6,758,620)	(35,194,676)
Acquisition of Intangibles		(300,000)	-
Payments made for SLPA for construction of 3200MT tank & foam system		(19,937,601)	(95,735,354)
Disposal proceeds from sale of fixed assets		-	2,400,000
Interest Received	4.1	<u>49,481,953</u>	<u>17,230,071</u>
Net Cash used in Investing Activities		<u>22,485,732</u>	<u>(111,299,959)</u>

Cash Flows from Financing Activities

Capital paid on interest bearing loans and borrowings		(11,301,690)	(5,883,082)
Lease installments paid		(4,431,058)	(3,912,056)
Loan obtained against fixed deposit		12,424,807	100,575,193
Dividends paid		<u>(15,000,000)</u>	<u>-</u>
Net Cash flows from Investing Activities		<u>(18,307,941)</u>	<u>90,780,055</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		94,941,080	(4,912,349)
Cash and Cash Equivalents at the Beginning of the Year		<u>69,123,451</u>	<u>74,035,800</u>
Cash and Cash Equivalents at the End of the Year	8	<u><u>164,064,531</u></u>	<u><u>69,123,451</u></u>

The accounting policies and notes on pages 8 through 25 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 December 2022****1. CORPORATE INFORMATION****1.1 General**

Jaya Container Terminals Limited is a limited liability company incorporated under the Companies Act No. 17 of 1982 on 20 February 2002 and re registered on 25 April 2008 under the Companies Act No. 07 of 2007 and domiciled in Sri Lanka. The registered office is situated at No. 19, Church Street, Colombo 01 and the principal place of business is situated at No.69, Walls Lane, Colombo 15.

1.2 Principal Activities and Nature of Operations

During the year, the principal activity of the Company was managing the Colombo Oil Bank of Sri Lanka Ports Authority.

1.3 Financial Period and Date of Authorization for Issue

The Financial Statements of Jaya Container Terminals Limited for the year ended 31 December 2022 was authorized for issue in accordance with a resolution of the Board of Directors on 17.02.2023.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 December 2022****2. SIGNIFICANT ACCOUNTING POLICIES****2.1 General Accounting Policies****2.1.1 Basis of Preparation**

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards comprising of SLFRS and LKAS (hereafter referred as “SLFRS”), as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The preparation and presentation of these Financial Statements are in compliance with the company’s act no. 07 of 2007.

2.1.2 Basis of Measurement

The Financial Statements have been prepared on a historical cost basis, except for;

- Financial instruments reflected as Held to Maturity and Loans and Receivables which are measured at amortized cost.
- Liabilities for defined benefit obligations which are recognized as the present value of the defined benefit obligation.

Where appropriate, the specific policies are explained in the succeeding notes. No adjustments have been made for inflationary factors in the Financial Statements.

2.1.3 Statement of compliance

The financial statements which comprise the statement of financial position, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the “financial statements”) have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act, No. 7 of 2007.

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements in conformity with SLFRS/LKAS’s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to recognised as income over the periods necessary to match them to the costs to which it is intended to compensate on a systematic basis.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 December 2022****a) Going Concern**

The Directors have made an assessment of the Company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

b) Employee Benefit Liability:

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 12 to the Financial Statements. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

c) Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless they are remote.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.3.1 Foreign Currency Translation**

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.3.2 Taxation**a) Current and deferred income Tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 December 2022**

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act.

As per the new Inland Revenue Act No.24 of 2017, business of Bonded warehouse is fitting to the meaning of Specified Undertaking. As such profits from business which belongs to specified undertaking was taxed in 2021 it was taxed business profits at 14% and Finance income at 24%. In year 2022 based on the new amendments to the income tax Act, first six months business profits was taxed at 14% and finance income at 24% and balance six months taxed at 30%.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is possible that future taxable profit will be available against which the temporary differences can be utilised.

2.3.3 Revenue Recognition

SLFRS 15-Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific criteria is used for the purpose of recognition of revenue.

a) Oil Bank Service Fee Income

Oil bank service fee income is recognized as agreed with Sri Lanka Ports Authority at the completion of each calendar month.

b) Interest

Interest Income is recognized as the interest accrued unless collectability is in doubt. Interest income is included in finance income in the income statement.

c) Dividends

Dividend Income is recognized when the shareholders' right to receive the payment is established.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 December 2022****d) Others**

Other income is recognized on an accrual basis.

Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment and other noncurrent assets including investments are accounted for in the income statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a Company of similar transactions which are not material, are aggregated, reported and presented on a net basis.

2.3.4 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs and borrowing costs incurred after the completion of the underlying construction are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.3.5 Financial Instruments - Initial Recognition and Subsequent Measurement**2.3.5.1 Financial instruments**

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

Jaya Container Terminals Ltd applied SLFRS 9 - Financial Instruments for the first time, with effect from 01 January 2019

Recognition and initial measurement

Jaya Container Terminals Ltd initially recognizes "Trade Receivables" when they are originated. All other financial assets are initially recognized when the Jaya Container Terminals Ltd becomes a party to the contractual provisions of the instrument.

Classification and subsequent measurement

Jaya Container Terminals Ltd classifies a financial asset as measured at amortized cost; Fair Value Through Other Comprehensive Income (FVOCI); or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Jaya Container Terminals Ltd's business model for managing them. Financial assets are not reclassified subsequent to their initial recognition unless the Jaya Container Terminals Ltd changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

A financial asset is **measured at amortized cost** if it is held within a business model where the objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates and the financial asset is not designated as at FVTPL.

A debt investment is **measured at FVOCI** if it is held within a business model where the objective is achieved by both collecting contractual cash flows and selling financial assets; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the debt investment is not designated as at FVTPL. On initial recognition of an equity investment that is not held for trading, the Jaya Container Terminals Ltd irrevocably elected to present subsequent changes in the investment's **fair value in OCI**. This election is made on an investment by- investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are **measured at FVTPL**. This includes equity Investments and derivative financial assets. On initial recognition, the Jaya Container Terminals Ltd may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses:**Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on DE recognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Jaya Container Terminals Ltd changes its objective of the business model for managing such financial assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

De recognition

The Jaya Container Terminals Ltd derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Jaya Container Terminals Ltd neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Jaya Container Terminals Ltd enters into transaction whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, such transferred assets are not derecognized.

Financial assets – Policy applicable before 1st April 2018

Prior to 1st April 2018 the Jaya Container Terminals Ltd classified its financial assets into one of the following categories:

- loans and receivables;
- held to maturity;
- available for sale; and
- at FVTPL, and within this category as:
 - held for trading;
 - Derivative hedging instruments; or
 - designated as at FVTPL.

Initial and Subsequent measurement:

Financial assets at FVTPL

Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss.

Held-to-maturity financial assets

Measured at amortised cost using the effective interest method.

Loans and receivables

Measured at amortised cost using the effective interest method.

Available-for-sale financial assets

Measured at fair value and changes therein, other than impairment losses, interest income and foreign Currency differences on debt instruments, were recognised in OCI and accumulated in the fair value reserve. When these assets were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

Financial Liabilities – Policy applicable from 1st April 2018

The Jaya Container Terminals Ltd initially recognizes financial liabilities other than debt securities when it becomes a party to the contractual provisions of the instrument. Jaya Container Terminals Ltd recognizes debt securities issued when they are originated. All financial liabilities are initially measured at fair value and, for an item not at Fair Value through Profit or Loss (FVTPL), net of transaction costs that are directly attributable to its issue. The Jaya Container Terminals Ltd's financial liabilities comprise of loans and borrowings,

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 December 2022**

refundable rental and other deposits, bank overdrafts, trade and other payables and derivative financial instruments.

Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on de recognition of other financial liabilities are recognized in profit or loss.

Reclassification

Financial Liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

De recognition

The Jaya Container Terminals Ltd derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Jaya Container Terminals Ltd also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2.3.5.2 Financial Liabilities - Policy applicable before 1 April 2018**Recognition**

Prior to 1st April 2018 the Jaya Container Terminals Ltd classified its financial liabilities into one of the following categories:

- at FVTPL, and within this category as:
 - held for trading;
 - derivative hedging instruments; or
 - designated as at FVTPL.
- Other financial liabilities

Initial and Subsequent measurement:**Financial liabilities at FVTPL**

Measured at fair value and changes therein, including any interest or gains and losses, were recognized in profit or loss.

Other financial liabilities

Measured at amortized cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 December 2022****Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Jaya Container Terminals Ltd currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.3.6 Closing Stocks

Closing Stocks of the Company represents the Consumable items, Electrical and Hardware items, Stationery etc. stored in the main stores of the company for day to day use. The Accounting policy adopted in measuring inventory is FIFO method. Accounting policy used for valuation of stock is lower of cost or net realizable value. As it is difficult to calculate the net realizable value of most of the items like milk powder, stationery, hardware and electrical items etc. stocks have been valued at cost.

2.3.7 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, 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.

2.3.8 (i) Property, Plant and Equipment

Property, Plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the Plant and Machinery, Furniture and Fittings, Office Equipment, Computers & Accessories when that cost is incurred, if the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the useful life of the assets. Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognized.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. The percentages used are as follows; According to the recommendations made by asset verification Committee some of the useful life of the assets have changed and adjusted accordingly.

Plant & Machinery	12.5%
Office Equipment	12.5%
Computer Equipment	25%
Motor Vehicles	20%
Furniture	20%

(ii) Expenses incurred for construction of 3200MT capacity storage tank and Fire foam system

This transaction has been recorded as per the LKAS 16. As per the management service agreement between SLPA and JCT Limited, all the capital expenditure should borne by JCT Limited. (SLPA has given the right to build assets) Since land and the property is not owned by JCT Limited, expenses incurred for construction of 3200 MT storage tank and Fire foam system has identified as a deferred expense in non-current asset. This will be amortized over the useful life time of the asset as decided by the SLPA from year 2023. As informed by SLPA 3200MT storage tank's useful life is 60 years and Fire foam system 15 years.

As per the standard this item has recorded as non-current asset because it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. As per the conceptual framework expenses are recorded in the income statement when a decrease of future economic benefits related to a decrease of assets or an increase of liability has arisen that can be measured reliably. (Conceptual Framework 4.49)

(iii) Intangible assets

Operations Division of JCT Limited introduced a computerized system for local Tank Truck deliveries amounting Rs.300,000.00. Based on the estimated useful life and by considering future trends of the IT, Company decides the useful life as five years and amortize the software over period of five years.

2.3.9 Leased Assets

Company has obtained four Finance leasing facilities to purchase four motor vehicles for the Company.

Finance leases are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. A leased asset is depreciated over the useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 December 2022****2.3.10 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement. . If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Doubtful debts provision amounting Rs. 2,340,236.00, This consists of Rs.544,683.58 receivable from SLPA on behalf of Ceylon Petroleum Corporation since year 2014, Rs.1,795,552 advance payment to consultancy firm and Withholding tax receivable has been written off with the approval of the Board of Directors.

2.3.11 Retirement Benefit Obligations**a) Defined Benefit Plan - Gratuity**

The Company annually measures the present value of the promised retirement benefits for gratuity, which is a defined benefit plan using The Projected Unit Credit method. The Projected Unit Credit method involves making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation are highly sensitive to changes in these assumptions.

The item is stated under retirement benefit liability in the Statement of Financial Position.

The liability is not externally funded.

b) Defined Contribution Plans – Provident Fund and Employees’ Trust Fund

Employees are eligible for Provident Fund Contributions and Employees’ Trust Fund Contributions in line with the respective statutes and regulations. The Company contributes 15 % and 3% of gross emoluments of employees to Provident Fund and Employees’ Trust Fund respectively.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

3. REVENUE	2022 Rs.	2021 Rs.
Oil Bank Service Fee Income	603,837,251	297,763,569
Social Security Contribution Levy	<u>4,190,892</u>	<u>-</u>
Net Revenue	<u><u>608,028,143</u></u>	<u><u>297,763,569</u></u>

3.1 Through put comparison

Product	Loading (MT)		Discharging (MT)	
	2021	2022	2021	2022
LSFO 380 cst	329,633.16	353,502.59	341,292.04	340,563.47
MGO	61,975.95	88,803.15	64,553.89	80,471.43
HFO 380 cst	740.54			
Total	392,349.65	442,304.74	405,845.94	421,034.90

Total local tank trucks deliveries as at 31.12.2022- **54,378 (mt)**

4. FINANCE INCOME / COST

4.1 Finance Income	2022 Rs.	2021 Rs.
Interest Income on Savings Account	4,260,731	859,516
Interest Income on Fixed Deposits	40,237,785	12,435,441
Interest Income on Employee Loans	<u>4,983,437</u>	<u>3,935,114</u>
	<u><u>49,481,953</u></u>	<u><u>17,230,071</u></u>

4.2 Finance Cost		2022		2021
		Rs.		Rs.
Interest Expense on Loans and Borrowings		12,038,468		2,401,532
Interest Expense on housing loan for employees		651,588		562,437
Interest Expenses for Finance Leasing		<u>1,343,007</u>		<u>1,861,751</u>
		<u><u>14,033,063</u></u>		<u><u>4,825,720</u></u>
5.	PROPERTY, PLANT AND EQUIPMENT	Balance as at	Additions during	Disposals/ Discarded
5.1	Gross Carrying Amounts	01.01.2022	the Year	31.12.2022
		Rs.	Rs.	Rs.
	Plant and Machinery	72,857,270	4,686,641	-
	Furniture, fixtures, and Fittings	10,221,892	393,540	-
	Office Equipment	6,433,366	754,069	-
	Computer Equipment	5,759,777	924,370	-
	Motor Vehicles	<u>62,163,429</u>	<u>-</u>	<u>-</u>
	Total Cost of Depreciable Assets	<u><u>157,435,734</u></u>	<u><u>6,758,620</u></u>	<u><u>-</u></u>
5.2	Depreciation	as at	the Year	Discarded
		01.01.2022		as at
		Rs.	Rs.	31.12.2022
				Rs.
	Plant and Machinery	22,657,256	6,505,466	-
	Furniture and Fittings	5,218,268	1,468,717	-
	Office Equipment	3,722,355	660,236	-
	Computer Equipment	4,334,034	834,720	-
	Motor Vehicles	<u>22,927,323</u>	<u>4,205,595</u>	<u>-</u>
	Total Depreciation	<u><u>58,859,236</u></u>	<u><u>13,674,734</u></u>	<u><u>-</u></u>

	As at 31.12.2021 Rs.	As at 31.12.2022 Rs.
5.3 Net Book Values		
Plant and Machinery	50,200,014	48,381,189
Furniture and Fittings	5,003,624	3,928,447
Office Equipment	2,711,011	2,804,844
Computer Equipment	1,425,743	1,515,393
Motor Vehicles (Including leased assets)	39,236,106	35,030,511
Total Carrying Amount of Property Plant & Equipment	98,576,498	91,660,384

5.4 Deferred Expenses for tank construction and Fire foam system

	<u>Balance as at 01.01.2022</u>	<u>Amortization</u>	<u>Balance as at 31.12.2022</u>
Deferred expenses for 3200MT storage tank	102,298,407	(1,562,892)	100,735,515
Fire Foam system	55,520,250	(3,701,350)	51,818,900
	<u>157,818,657</u>	<u>(5,264,242)</u>	<u>152,554,415</u>

* A Written opinion will be taken from the Chartered Institute of, SL for recording this transaction and accounts will adjust accordingly.

Write-of use assets- Motor vehicles purchased under Finance Leasing Method

Rs.43,004,500.00 worth of four motor cars purchased in August 2019 through finance leasing facility.

Net book value as at 31.12.2022 is Rs.27,685,183

5.5 The useful lives of the assets are estimated as follows:

	2022	2021
Plant and Machinery	8 Years	8 Years
Furniture and Fittings	5 Years	5 Years
Office Equipment	8 Years	8 Years
Computer Equipment	4 Years	4 Years
*Motor Vehicles	5 Years	5 Years

*When depreciating motor vehicles 5 years have applied for all vehicles other than vehicles mentioned below

The asset verification/review committee has assessed the useful lifetime of fixed assets and extended the useful life of some assets as below.

	<u>Economic Useful Life</u>	<u>Future useful life</u>
Engine pump -Huangshan	15	11
Mitsubishi car	13	5
KDH van	15	9
Double cab	15	11
Motor cycle	10	7
3 nos of Rush cars	10	7
CCTV camera system	10	5
Generator 44 KVA	15	13
Benz C 200	15	12
Motor driven Engine pump-RSP/HW	10	8
Hybrid container box -SJ	10	8
Wooden filing cabinets-Record room	8	3
Storage tank-S/J	10	3
Radar tank gauging system	5	2
Container office cabin-Bond	10	8
Major spare parts for the Rush pump	5	3

A list of fixed assets where net book values are zero is summarized below

<u>Asset type</u>	<u>Cost Rs.</u>	<u>No.of items</u>
Plant and Machinery	8,473,245	24
Furniture and Fittings	3,390,319	51
Office Equipment	1,517,846	48
Computer Equipment	3,392,000	49

5.7 Intangible Assets

	2022	2021
	Rs.	Rs.
Software purchased for Operations Division	300,000	-
Amortization	(10,000)	-
	<u>290,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

6.	TRADE AND OTHER RECEIVABLES	2022 Rs.	2021 Rs.
6.1	*Trade Receivables - Related Party	<u>59,791,687</u>	<u>30,524,797</u>
		59,791,687	30,524,797
6.2	Advances & Prepayments	29,729,948	7,545,978
	Staff Loan : Receivable within one year	<u>15,016,201</u>	<u>12,085,892</u>
		<u>104,537,836</u>	<u>50,156,667</u>
	Staff Loan: Receivable more than one year	<u>38,259,621</u>	<u>32,768,530</u>
6.1	Trade Receivable from Related Parties	2022 Rs.	2021 Rs.
	Relationship		
	Sri Lanka Ports Authority (Mgt.fees) Parent	<u>59,791,687</u>	<u>30,524,797</u>
		<u>59,791,687</u>	<u>30,524,797</u>
6.2	Advances & Prepayments	2022 Rs.	2021 Rs.
	Receivables from other debtors	-	10,878
	Other receivables (WHT)	-	1,540,552
	Advance payments	3,127,000	2,380,000
	Deposits	344,934	170,177
	Interest receivable	<u>26,258,014</u>	<u>3,444,372</u>
		<u>29,729,948</u>	<u>7,545,979</u>

7. FINANCIAL ASSETS

	2022	2021
	Rs.	Rs.
Held To Maturity Investments		
Fixed Deposits held to maturity	398,128,670	216,812,695
	<u>398,128,670</u>	<u>216,812,695</u>

	2022	2021
	Rs.	Rs.
8. Cash & Cash Equivalent		
Current Account	553,526	789,030
Fund Mgt Account	40,371,930	21,290,909
Cash in Hand	12,394	25,000
Fixed Deposits	<u>123,126,681</u>	<u>47,018,512</u>
Total Cash & Cash Equivalent	<u>164,064,531</u>	<u>69,123,451</u>

	2022		2021	
	Number	Rs.	Number	Rs.
9. STATED CAPITAL				
Ordinary Shares	100,000	1,000,000	100,000	1,000,000
	<u>100,000</u>	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>

10. INTEREST BEARING LOANS AND BORROWINGS
Loan obtained against fixed deposits for tank construction and Fire foam system

	As At	As At
	31.12.2022	31.12.2021
	Rs.	Rs.
<u>Non Current Liabilities</u>		
Loan obtained against FD	85,198,610	84,075,493
(Amounts repayable after one year)	<u>85,198,610</u>	<u>84,075,493</u>

Current Liabilities

Loan obtained against FD	11,301,600	11,301,600
(Amounts repayable within one year)	<u>11,301,600</u>	<u>11,301,600</u>

10. INTEREST BEARING LOANS AND BORROWINGS (Contd...)

Lien over Rupee Fixed Deposits bearing No:79251603 for Rs. 45.3 Mn, No.80427028 for Rs.44.1 Mn, and No.83586139 for Rs.36.8 Mn maintained at Bank of Ceylon corporate branch. The total Loan value is Rs.113 million, obtained for payment of balance amount of construction of 3200MT storage tank and installation of Fire foam system of JCT Ltd. Interest rate is FD rate+1% and repayment period is 10 years.

11. FINANCE LEASING FACILITIES

	As At 31.12.2022	As At 31.12.2021	Terms of Payment	Interest Rate
<u>Non Current Liabilities</u>	Rs.	Rs.	Rs.	
Finance Leasing Liability	3,508,659	8,248,692		
(Amounts repayable after one year)	<u>3,508,659</u>	<u>8,248,692</u>	60 Monthly Installment	Interest Rate 13.00%
<u>Current Liabilities</u>			Bank Of Ceylon	
Finance Leasing Liability	4,740,033	4,431,058		
(Amounts repayable within one year)	<u>4,740,033</u>	<u>4,431,058</u>		

*Finance Leasing facility was obtained to purchase four motor cars for the Company with the approval of the General Treasury

12. EMPLOYEE BENEFIT LIABILITY

2022
Rs.

2021
Rs.

12.1 Defined Benefit Obligation

Changes in the present value of the defined benefit obligation are as follows:

Defined Benefit Obligation at 1 January	12,130,412	13,841,741
Charge for the Year (Note 12.2)	2,544,031	2,245,391
Actuarial (Gain)/Loss on Obligation	5,401,659	(2,215,544)
Benefits Paid	<u>(863,930)</u>	<u>(1,741,176)</u>
Defined Benefit Obligation at 31 December	<u>19,212,172</u>	<u>12,130,412</u>

12.2 Net Benefit Expense

Current Service Cost	1,213,041	1,068,843
Interest Cost on Benefit Obligation	<u>1,330,990</u>	<u>1,176,548</u>
The expenses are recognized in the income statement	<u>2,544,031</u>	<u>2,245,391</u>

- 12.3** Messrs. Actuarial & Management Consultants (Pvt) Ltd, Actuaries, carried out an actuarial valuation of the defined benefit plan - gratuity on 31 December 2022. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used as at 31.12.2022 are as follows:

	2022	2021
Demographic Assumptions		
Staff Turnover Rate	5.00%	4.00%
Retirement Age	60	60
Financial Assumptions		
Discount Rate	14.00%	10%
Salary Escalation Rate	10%	3.0%
Method of Actuarial Valuation	Projected Unit Credit method	Projected Unit Credit method

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022
12. DEFINED BENEFIT OBLIGATION (Contd..)
12.4 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2022.

The sensitivity of the Statement of Profit or Loss and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

Assumed change in Financial Assumptions	Rs.	Effect on PV of Defined Benefit Obligation Rs.
If Discount Rate Increased by 1%	18,038,967	11,384,764
If Discount Rate Decreased by 1%	20,521,425	12,964,286
If Salary Escalation Rate Increased by 1%	20,571,776	12,910,703
If Salary Escalation Rate Decreased by 1%	17,980,625	11,424,910

13. OTHER PAYABLES	2022 Rs.	2021 Rs.
Other Payables - Other (Note 13.1)	9,078,703	2,555,466
Accrued Expenses	15,924,665	15,430,125
Cash deposits of new BLH	<u>50,000,000</u>	<u>-</u>
	<u><u>75,003,368</u></u>	<u><u>17,985,591</u></u>

13.1	Other Payables - Other	2022 Rs.	2021 Rs.
	Value Added Tax Payable	7,429,722	1,324,089
	Other Payables-(Fuel & Telephone bills payable to SLPA)	<u>1,648,981</u>	<u>1,231,377</u>
		<u>9,078,703</u>	<u>2,555,466</u>

14. INCOME TAX

The major components of Income Tax Expenses for the Year Ended 31st December are as follows:

	2022 Rs.	2021 Rs.
Income Statement		
Current Income Tax charge	76,000,239	12,237,942
Deferred tax	3,515,719	2,276,645
Under/ (Over) Provision of Taxes in Respect of Prior Years	-	-
Income Tax Expenses reported in the Income Statement	<u>79,515,958</u>	<u>14,514,587</u>
Income tax liability at the Beginning	3,398,366	(75,510)
Current Income Tax charge	76,000,239	12,237,942
Tax Credits	<u>(12,505,376)</u>	<u>(8,764,066)</u>
Income Tax liability at the End	<u>66,893,229</u>	<u>3,398,366</u>

14.1 Surcharge Tax

In terms of Sec. 2 of the Surcharge Tax Act, No.14 of 2022 each company of a group of companies, of which the aggregate taxable income of all subsidiaries and the holding company in that group of companies calculated in accordance with the provisions of the Inland Revenue Act No.24 of 2017, exceeds Rs.2000 million for the year of assessment commenced on April 1, 20200 are liable for Surcharge tax on their taxable income at the rate of 25%

15. DEFERRED TAX

Deferred tax liability due to temporary taxable differences of carrying value of Property, Plant & Equipment

	<u>Accounting</u> <u>Basis</u>	<u>Tax Basis</u>	<u>2022</u> <u>Temporary</u> <u>Timing</u> <u>Difference</u> <u>(Rs.)</u>	<u>2021</u> <u>Temporary</u> <u>Timing</u> <u>Difference</u> <u>(Rs.)</u>
	<u>Rs.</u>	<u>Rs.</u>		
Carrying values of Property ,Plant & Equipment	72,809,373	28,484,924	44,324,449	28,392,162
Gratuity Provision			(19,212,172)	(12,130,412)
			<u>25,112,277</u>	<u>16,261,750</u>
Deferred tax liability @ 14%			3,515,719	2,276,645
Opening Deferred tax balance			<u>2,988,561</u>	<u>711,916</u>
Deferred tax Liability			<u>6,504,280</u>	<u>2,988,561</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022
16. EARNINGS PER SHARE

16.1 Earnings Per Share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events, if any, that have changed the number of ordinary shares outstanding, without a corresponding change in the resources as a bonus issue.

16.2 The following reflects the income and share data used in the Earnings Per Share computation.

	2022	2021
	Rs.	Rs.
Amount Used as the Numerator:		
Profit for the Year	-	65,452,487
Profit Attributable to Ordinary Shareholders for Earnings Per Share	-	65,452,487
Number of Ordinary Shares Used as Denominator:		
Weighted Average number of Ordinary Shares in Issue	100,000	100,000
Earning per share	2456.12	654.54

17. COMMITMENT AND CONTINGENCIES
17.1 Capital Expenditure Commitments

The Company does not have significant capital commitments as at the reporting date.

17.2 Contingent Liabilities

Legal claims;

Court of Appeal Writ Application No.124/2013 - National Union of Sea Fares of Sri Lanka and three others Vs the Company.

This Application was filed by National Union of Sea Fares of Sri Lanka and three others seeking the applicability of Public Enterprises Circular PED/Circular/01/2013 dated 15/01/2013 to Jaya Container Terminals Limited and demand termination application before Labour Department. The order was decided on 12.12.2022 and dismiss the application of petitioners without costs.

Labour Tribunal Case No. LT/2/addi/3676 - Inter Company Employees Union on behalf of Mr. K. Liyanage Vs the Company

Labour Tribunal Case No. LT/2/addi/3677 - Inter Company Employees Union on behalf of Mr. W. Kothalawela Vs the Company

These cases were filed by Inter Company Employees Union on behalf of two retired employees who retired at the age of 57 years demanding the age of retirement to be 60 years as per the PED/Circular/01/2013 dated 15/01/2013.

These cases have been laid by until the judgement of Court of Appeal Writ Application No.124/2013

Labour Tribunal Case No. LT/2/addi/3718/2016 - Inter Company Employees Union on behalf of Mr. M.J. Bearnard Vs the Company

This case was filed by Inter Company Employees Union on behalf of Mr. M.J. Bearnard who is a retired employee whose name was included in termination application demanding the retirement age to be 60 years as per the PED/Circular/01/2013 dated 15/01/2013.

This case has been laid by until the judgement of Court of Appeal Writ Application No.124/2013 This case was filed by Inter Company Employees Union on behalf of Mr. M.J. Bearnard who is a retired employee whose name was included in termination application demanding the retirement age to be 60 years as per the PED/Circular/01/2013 dated 15/01/2013.

LT 13/28/2020 L L L Perera

This case was filed by jathika Sewaka Sangamaya on behalf of Mr. L.L.L.Perera who was retired at age of 57. Demanding his age of retirement should be 60 years. Laid by the Labour Tribunal until finalizing Labour Department inquiry.

A/76/2020

Employees who were under Termination application report back to work with the consent to accept Multi duty posts. However they subsequently complain to Labour Commissioner demanding their previous designations and arrears of attendance based allowances. This matter refers to industrial court for an arbitration. The application was withdrawn by the applicant employees and the order granted by the Hon.arbitrator for the same on 2022.09.15.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022
17.2 Legal Claims (Contd..)

Commissioner of Labour granted approval for their demand an appeal forwarded by JCT Limited to Commissioner General of Labour which is pending.

18. ASSETS PLEDGED

The Company has pledged following assets for the Term Loan obtained from Bank of Ceylon for the period ended 31 December 2021. 1. Lien over Rupee Fixed Deposits bearing No:79251603 for Rs. 45.3 Mn, No.80427028 for Rs.44.1 Mn and No.83586139 for Rs.36.8 Mn maintained at Bank of Ceylon corporate branch. Total Loan value is Rs.113 million obtained for payment of balance amount of construction of 3200MT storage tank and installation of Fire foam system of JCT Ltd. Interest rate is FD rate +1% repayment period is 10 years.

19. RELATED PARTY DISCLOSURES

Details of Significant Related Party Disclosures are as Follows:

19.1 Transactions With the Parent and Related Entities

<u>Receivables</u>	2022	2022
<u>Trade</u>	Rs.	Rs.
Management fees income	59,791,687	30,524,797
<u>Payables</u>		
Other payables to SLPA (Telephone/Fuel)	750,405	829,989
Deposit for Fuel	103,600	103,600

20. Transactions with Key Management Personnel of the Company or its Parent

Key Management Personnel (KMPs) are defined as those persons such as directors, chief executive officers and other senior executives etc, who have authority and responsibility for planning, directing and controlling the activities of the company as well as subsidiaries, direct or indirectly.

21. Compensation of Key Managerial Personnel (KMPs)

	2022	2021
	Rs.	Rs.
Short-Term Employee Benefits (Board fees)	1,440,312	1,640,000
Allowances for Chairman & Managing Director	3,011,192	3,612,732
	<u>4,451,504</u>	<u>5,252,732</u>

22. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no significant transactions or events subsequent to reporting date which requires adjustments or disclosure in the financial statement.

23. RISK MANAGEMENT DISCLOSURE

The Company has exposed to the following risks from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further, quantitative disclosures are included throughout these financial statements.

23.1 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and supervision of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management of standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

23.2 RISK MANAGEMENT DISCLOSURE (Contd...)

a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade and Other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

The maximum exposure to credit risk for trade and other receivables at the reporting date by Currency wise was as follows.

	2022 Rs.	2021 Rs.
Sri Lankan Rupees	104,537,836	50,156,667
	<u>104,537,836</u>	<u>50,156,667</u>

Cash and Cash Equivalents

The Company held cash and cash Equivalents of Rs. 164 Mn as at 31 December 2022 (2021 - 69Mn) which represents its maximum credit exposure on these assets.

Respective credit ratings of banks which Company cash balances held are as follows;

- Bank of Ceylon – AA+(lka)

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 December 2021	Less than 3 Months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	>5 years Rs.	Total Rs.
Other payables	17,985,591	-	-	-	17,985,591
	<u>17,985,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,985,591</u>

As at 31 December 2022	Less than 3 Months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	>5 years Rs.	Total Rs.
Other payables	25,003,368	50,000,000	-	-	75,003,368
	<u>25,003,368</u>	<u>50,000,000</u>	<u>-</u>	<u>-</u>	<u>75,003,368</u>

23.3 RISK MANAGEMENT DISCLOSURE (Contd...)
c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest Rate Risk

The Company is exposed to interest rate risk on short-term deposits placed with the financial institutes.

Currency Risk

The Company is exposed to currency risk since the service charges are based on the tariff table agreed with the SLPA and are in USD. All invoicing and recording of revenue for services rendered is done by converting the USD value to LKR at the date of transaction. Therefore the revenue of the company fluctuates based on the exchange rates provided at the transaction dates.

24. Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital and retained earnings of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

DETAILED INCOME STATEMENT
Year ended 31 December 2022

Note 25

COST OF SALES	<u>2022</u> <u>Rs.</u>	<u>2021</u> <u>Rs.</u>
Salaries for Operational Staff	103,793,743	88,105,287
Employees' Provident Fund	9,119,148	7,752,722
Employees' Trust Fund	1,823,830	1,550,544
Medical Leave Encashment	4,800,000	3,897,524
Staff Bonus	5,236,199	1,007,670
Gratuity Expense-Operational staff	2,035,225	1,796,313
Electricity	2,506,479	2,228,999
Water	397,906	248,820
Telephone Charges	512,311	589,041
Fuel & Lubricants	31,985,400	4,135,320
Maintenance of Mechanical Equipment	12,635,097	6,429,863
Depreciation of Plant and Machinery	6,505,466	3,565,158
Testing of Fuel samples	174,961	-
Maintenance of Civil Work	6,453,019	12,478,053
Social Security Contribution Levy	4,203,243	-
Total	<u>192,182,027</u>	<u>133,785,314</u>

Note 26

ADMINISTRATIVE EXPENSES

	<u>2022</u> <u>Rs.</u>	<u>2021</u> <u>Rs.</u>
Directors' Emoluments	1,440,312	1,640,000
Office Staff Salaries	25,948,436	22,026,322
EPF-office staff	2,279,787	1,938,180
ETF-office staff	455,957	387,636
Staff Bonus-Office	1,309,050	251,918
Medical Leave Encashment-Office	1,200,000	974,381
Tax/Company Consultancy Fees	1,287,711	1,595,714
Insurance Expenses	1,615,313	1,291,011
Staff Welfare	10,522,985	8,358,985
Training Expenses	646,975	2,485,291
Medical scheme for employees	3,137,594	4,834,414
Gratuity-Office	508,806	449,078
Rent for the Walki-Talkies	486,000	486,000
Telephone Charges	528,777	589,041
Fuel for office vehicles	4,764,215	2,705,392
Engineering and Hardware Expenses	158,485	159,979
Custom Officer Charges	1,234,835	1,233,645
Security Expenses	13,983,101	14,576,000
Electricity	442,320	393,353
Water	816,768	630,415
License Fees/DMS system fee	527,498	542,600
Legal Fees	2,474,805	1,722,500
Depreciation	7,169,267	6,818,412
Amortization of 3200MT tank & Firefoam system	5,264,242	-
Amortization of intangibles	10,000	-
Audit Fee	351,000	300,000
Office Maintenance	2,583,950	1,971,508



Office Equipment Maintenance	985,866	470,921
Office Vehicle Maintenance	6,094,133	2,622,912
Vehicle hire charges	1,837,176	2,146,928
Prepaid Loan Expenses - SLFRS	2,174,249	2,764,647
Doubtful debt	2,340,236	-
Stamp Duty	300	375
Bank Charges	113,187	304,344
Sundry Expenses	459,397	506,251
Other expenses	2,733,925	-
Stationery	3,739,127	1,764,864
Advertising Expenses	802,410	737,527
Janitorial/Landscaping services	14,030,900	10,439,683
Total	126,459,095	100,120,227