

Colombo West International
Terminal (Private) Limited,
Srilanka

Financial Statements for the
FY - 2023-24

COLOMBO WEST INTERNATIONAL TERMINAL (PRIVATE)
LIMITED

FINANCIAL STATEMENTS

31 March 2024

AdeS/NC/DRM

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Colombo West International Terminal (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Colombo West International Terminal (Private), which comprise the statement of financial position as at March 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statement, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of (or present fairly, in all material respects) the financial position of the Company as at March 31, 2024, and (of) its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

(Contd...2/)

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 management.
- Conclude on the appropriateness of 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

26 April 2024
Colombo

Colombo West International Terminal (Private) Limited

INCOME STATEMENT

Year Ended 31st March 2024

<i>In USD</i>	Note	Year ended 31 March 2024	Year ended 31 March 2023
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other operating income		408,185	
Administration expenses		(611,337)	(828,146)
Depreciation and amortisation		(55,253)	(32,164)
Other operating expenses	7	(300,244)	(1,750,143)
Results from operating activities		(558,649)	(2,610,453)
Finance expense		-	-
Finance income	8	445,597	2,297,770
Net finance income		445,597	2,297,770
Profit/(Loss) before tax	9	(113,052)	(312,683)
Tax		-	-
Profit/(Loss) for the period		(113,052)	(312,683)

The accounting policies and notes as set out in pages 08 to 24 form an integral part of these financial statements.



Colombo West International Terminal (Private) Limited

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31st March 2024

	Year ended 31 March 2024	Year ended 31 March 2023
<i>In USD</i>		
Profit/(Loss) for the period	(113,052)	(312,683)
Other comprehensive income	-	-
Other comprehensive income/(loss) for the period, net of tax	-	-
Total comprehensive income/ (loss) for the period, net of tax	(113,052)	(312,683)

The accounting policies and notes as set out in pages 08 to 24 form an integral part of these financial statements.



Colombo West International Terminal (Private) Limited

STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

<i>In USD</i>	Note	31.03.2024	31.03.2023
ASSETS			
Non current assets			
Property, plant and equipment	10	123,744,773	41,419,908
Right-of-use assets	11	165,953,156	171,007,137
		289,697,929	212,427,045
Current assets			
Other current assets	12	29,591,629	7,748,157
Short term Investments	13	1,259,320	3,661,327
Cash and cash equivalents	14	37,953,476	1,558,034
		68,804,425	12,967,518
Total assets		358,502,354	225,394,563
EQUITY AND LIABILITIES			
Stated capital			
Stated capital	15	100,000,000	51,960,785
Accumulated losses	16	(1,981,365)	(1,868,313)
Total equity		98,018,635	50,092,472
Non current liabilities			
Interest bearing liabilities-leases	17	175,877,333	168,303,669
Employee benefits liability	18	19,486	6,590
		175,896,819	168,310,259
Current liabilities			
Short Term Loan & Borrowings	19	47,115,803	-
Other current liabilities	20	2,354,972	5,945,273
Amounts due to related parties	21	35,116,125	1,046,559
		84,586,900	6,991,832
Total equity and liabilities		358,502,354	225,394,563

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

The Board of directors is responsible for these financial statements. Signed for and on behalf of the Board by,

.....
Director

.....
Director

The accounting policies and notes as set out in pages 08 to 24 form an integral part of these financial statements.

26 April 2024
Colombo



Colombo West International Terminal (Private) Limited

STATEMENT OF CASH FLOWS

Year Ended 31st March 2024

<i>In USD</i>	Note	2024	2023
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Loss before tax		(113,052)	(312,683)
Adjustments for:			
Finance income	8	(445,597)	(2,297,770)
Depreciation of property, plant and equipment	10	55,252	32,164
Provision for Gratuity		11,630	6,590
Unrealised Exchange Loss	7	300,244	1,750,143
Profit before working capital changes		(190,257)	(821,556)
(Increase)/Decrease in other current assets		(21,840,672)	(9,624,801)
Increase in other current liabilities		(3,590,301)	5,940,210
Increase in amounts due to related parties		34,069,566	494,461
Cash (used in)/from operations		8,448,336	(4,011,686)
Finance income received	8	442,797	2,248,832
Net cash flows (used in)/from operating activities		8,891,133	(1,762,854)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Purchase of property and equipment		(68,964,899)	(28,177,670)
Net cash flow (used in)/from investing activities		(68,964,899)	(28,177,670)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Equity Infusion		48,039,215	21,960,783
Loan Received		46,328,230	-
Net cash flow (used in)/from financing activities		94,367,445	21,960,783
NET INCREASE IN CASH AND CASH EQUIVALENTS		34,293,679	(7,979,741)
NET FOREIGN EXCHANGE DIFFERENCE		(298,978)	331,264
CASH AND CASH EQUIVALENTS AT THE BEGINNING		5,219,361	12,867,838
CASH AND CASH EQUIVALENTS AT THE END		39,212,796	5,219,361
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favorable balances			
Cash in hand and at bank		37,953,476	1,558,034
Short term investments		1,259,320	3,661,327
Unfavorable balances			
Total cash and cash equivalents		39,212,796	5,219,361

The accounting policies and notes as set out in pages 08 to 24 form an integral part of these financial statements.



Colombo West International Terminal (Private) Limited

STATEMENT OF CHANGES IN EQUITY

Year Ended 31st March 2024

<i>In USD</i>	Note	Stated capital	Revenue reserve	Total equity
As at 1 April 2022		30,000,002	(1,555,630)	28,444,372
Loss for the period		-	(312,683)	(312,683)
Other comprehensive loss		-	-	-
Issuance of shares		21,960,783		21,960,783
As at 31 March 2023		51,960,785	(1,868,313)	50,092,472
As at 1 April 2023		51,960,785	(1,868,313)	50,092,472
Profit/(Loss) for the period		-	(113,052)	(113,052)
Other comprehensive loss		-	-	-
Total comprehensive income		-	(1,981,365)	49,979,420
Issuance of shares	15.1	48,039,215	-	48,039,215
As at 31 March 2024		100,000,000	(1,981,365)	98,018,635

The accounting policies and notes as set out in pages 08 to 24 form an integral part of these financial statements.



1. REPORTING ENTITY

1.1 Domicile and Legal Form

Colombo West International (Private) Limited, is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02. The company was incorporated on 28 April 2021.

1.2 Principal Activities and Nature of Operations

The principal activities of the Company is the business of developing, operating and maintenance of West Container Terminal of Colombo port under build, operate and transfer basis.

Currently, the company is in the process of constructing the West Container Terminal of Colombo port and has not yet begun its commercial operations.

1.3 Approval of Financial Statements

The Financial statements for the year ended 31 March 2024 were authorized for issue by the Directors on 26 April 2024.

1.4 Parent Entity and Ultimate Parent Entity

The Company is a consortium between Adani International Port Holdings Pte Ltd, John Keells Holdings PLC and Sri Lanka Ports Authority. The immediate parent of the Company is Adani International Port Holdings Pte Ltd and ultimate parent enterprise is Adani Ports and Special Economic Zone Limited, which is incorporated in India.

1.5 Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and presentation of these financial statements.



2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements which comprise the income statement, statement of comprehensive income, statement of financial position, 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 the International Accounting Standard promulgated by the International Accounting Standard Board (IASB).

2.2 Basis of Measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention. Assets and liabilities are grouped by nature and in an order that reflect their relative liquidity.

2.3 Going Concern

In determining the basis of preparing the financial statements for the period ended 31 December 2023, based on available information, the management has assessed the prevailing and anticipated effects of the current economic conditions on the company and the appropriateness of the use of the going concern basis.

It is the view of the management there are no material uncertainties that may cast significant doubt on the company's ability to continue to operate as going concern due to the improved operating environment despite the ongoing effects of the current economic conditions and the operationalisation of risk mitigation initiatives and continuous monitoring of business continuity and response plans along with the financial strength of the company. The management has formed a judgment that the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

2.4 Functional and Presentation Currency

The Company has used United States Dollars as the reporting currency instead of Sri Lankan Rupees, the functional currency of the country in which the Company is domiciled. The primary sources of income and expenditure of the Company are denominated in United States Dollars and hence the Board of Directors has decided to use United States Dollars as the reporting currency of the Financial Statements of the Company.

2.5 Use of Estimates and Judgements

The preparation of the financial statements of the Company require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's accounting policies, management has made various judgements.



Those which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are also described in the individual notes to the financial statements. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Company's Financial Statements is included in the respective notes.

The line items which have most significant effect on accounting, judgements, estimate and assumptions are as follows;

- a) Going Concern
- b) Depreciation

In determining the above significant management judgements, estimates and assumptions the impact of the current economic conditions have been considered as of reporting date and specific considerations have been disclosed under the relevant notes.

2.6 Materiality and Aggregation

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

3. SIGNIFICANT ACCOUNTING POLICIES

Summary of significant accounting policies have been disclosed along with the relevant individual notes in the subsequent pages.

Those accounting policies presented with each note, have been applied consistently by the Company.

Other accounting policies not covered with individual notes

Following accounting policies which have been applied consistently by the Company, are considered to be significant but are not covered in any other sections.

3.1 Current versus Non-current Classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period



All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

3.2 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure.

Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.



The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3.3 Transactions in Foreign Currencies

All transactions denominated in currencies other than United States Dollars are converted into United States Dollars, at the rate of exchange prevailing at the time the transactions were effected. Monetary assets and liabilities denominated in currencies other than United States Dollars are translated into United States Dollars at the rate of exchange ruling at the reporting date. The resulting gains and losses are accounted for in the profit or loss.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in currencies other than United States Dollars that are measured at fair value are retranslated to United States Dollars at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in currencies other than United States Dollars that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

3.4 Income tax expense

3.4.1 Current Tax

The provisions of the Inland Revenue Act No.24 of 17 relating to the imposition of income tax on the project company on the profits and gains generated from the activities of the Strategic Development Project shall not apply for a period of 25 years as specified under Section 2 of the Strategic Development Project Act, No.14 of 2008 as amended.

The above tax exemption would commence from the first year in which the project company makes taxable profits or two years after commencement of commercial operations, whichever occurs earlier, and the profits of the company would be liable to income tax post the tax exemption period of 25 years in terms of the provisions of the Inland Revenue Act for the time being in force.

3.4.2 Deferred Tax

Deferred tax assets and liabilities are recognised for all temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.5 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowings that are directly attributable to the construction of an asset that takes a substantial period of time to get ready for its intended use, are capitalized as part of that asset.

3.6 Events Occurring after the Reporting Date

All material events occurring after the reporting date have been considered and where necessary, adjustments to or disclosures have been made in the respective notes to the financial statements.

3.7 Financial Instruments

3.7.1 Initial recognition of Financial Assets and Financial Liabilities

The Company shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

3.7.2 Measurement of Financial Assets

A financial asset be measured at amortised cost if both of the following conditions are met:

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

A financial asset shall be measured at fair value unless it is measured at amortised cost in accordance with above criteria. The company measures Loans and Receivables and Trade and Other Receivables at amortised cost.

3.7.3 Classification of financial assets

The Company classify financial assets as subsequently measured at either amortised cost or fair value on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.



3.7.4 Derecognition of financial assets

The Company derecognise a financial asset when and only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset as and the transfer qualifies for derecognition.

A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship be recognised in profit or loss when the financial asset is derecognised, impaired or reclassified in accordance and through the amortisation process.

3.7.5 Financial Liabilities Recognition

The company measures the financial liabilities at fair value, including the costs of the transaction which can be directly assigned financial liability, when these are designated at their fair value in the profit and loss account.

The Company assessed that the fair value of loans and borrowings, bank overdrafts, and trade and other payables.

The Company has the following non-derivative financial liabilities loans and borrowings, bank overdrafts, and trade and other payables.

3.7.6 Financial Liabilities Subsequent measurement

All financial liabilities are measured at amortised cost, except for financial liabilities at fair value through profit or loss.

3.7.7 Derecognition of financial liabilities

The Company derecognizes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when its contractual obligations are discharged or cancelled or expire.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

A gain or loss on a financial liability that is measured at amortised cost and is not part of a hedging relationship be recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

3.7.8 Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.



3.8 Liabilities and Provisions

Liabilities classified as current liabilities on the Statement of Financial Position are those, which fall due for payment on demand or within one year from the reporting date.

Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

3.8.1 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

3.9 Capital Commitments and Contingencies

Contingent Liabilities are possible obligations whose existence will be confirmed only by occurrence or non-occurrence of uncertain future events not wholly within the control of the Company or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured.

Capital Commitments and Contingent Liabilities of the Company are disclosed in the respective notes to the Financial Statements.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.



Colombo West International Terminal (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st March 2024

5. FINANCIAL INSTRUMENTS

Financial assets and liabilities by categories

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9.

Financial assets by categories

Financial assets measured At
amortize cost

As at In USD	31.03.2024	31.03.2023
Financial instruments in current assets		
Short term deposits less than 90 days	1,259,320	3,661,327
Cash in hand and at bank	37,953,476	1,558,034
Total	39,212,796	5,219,361

The fair value of loans and receivables does not significantly vary from the value based on the amortised cost methodology.

Financial liabilities by categories

Financial liabilities measured
at amortised cost

As at In USD	31.03.2024	31.03.2023
Financial instruments in current liabilities		
Amounts due to related parties	35,116,125	1,046,559
Total	35,116,125	1,046,559

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

6. FINANCIAL RISK MANAGEMENT

Overview

Financial instruments held by the Company comprises of cash, fixed deposits, other receivables, trade and other payables and lease liabilities. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Company.

The Company has exposure to the following risks arising from its financial instruments:

- * Credit Risk
- * Liquidity Risk
- * 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.



6. FINANCIAL RISK MANAGEMENT (Contd...)

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Chief Financial Officer and Treasury team develop and monitor risk management and treasury policies in relation to the financial instruments. These risks and treasury management policies are established to identify and analyse the risks faced by the Company, to set risk limits and controls to monitor risks. The Audit Committee and the Board of Directors monitor the compliance with these policies on a continuous basis and review the adequacy of the risk management framework to reflect market conditions and activities of the Company.

Financial Instrument Categories

In USD

	Note	Category	2024
Financial			
Short term	13	Measured at amortised cost	1,259,320
Cash and cash	14	Measured at amortised cost	37,953,476
			<u>39,212,796</u>
Financial			
Interest bearing liabilities-leases	17	Measured at amortised cost	175,877,333
Short Term Loan & Borrowings	19	Measured at amortised cost	47,115,803
Amounts due to related parties	21	Measured at amortised cost	35,116,125
			<u>258,109,261</u>

The Company manages its exposure to key financial risks, including interest rate, credit, currency and liquidity risks in accordance with the Company's risk and treasury management policies. The objective of these policies is to support the delivery of the Company's financial targets whilst protecting future financial security.

6.1 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 trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Company, such as cash and cash equivalents and certain derivative instruments, the Company's exposure to credit risk arises from default of the counterparty. The Company manages its operations to avoid any excessive concentration of counterparty risk and the Company takes all reasonable steps to ensure the counterparties fulfil their obligations.

Credit risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amount. Following table shows the maximum risk positions.

As at 31 March	Notes	Cash in hand and at bank	2024 Total	% of allocation
In USD				
Cash in hand and at bank	14	37,953,476	37,953,476	97%
Short Term Deposits	13	1,259,320	1,259,320	3%
Total credit risk exposure		<u>39,212,796</u>	<u>39,212,796</u>	100%
Total			<u>39,212,796</u>	



6.2 Liquidity Risk

The Company's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Company has available funds to meet its medium term capital and funding obligations, including organic growth and to meet any unforeseen obligations and opportunities. The Company holds cash and undrawn committed facilities to enable the Company to manage its liquidity risk.

The Company monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Company's financial investments and financial assets (e.g. accounts receivable and other financial assets) and projected cash flows from operations.

Colombo West International Terminal (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st March 2024

6. FINANCIAL RISK MANAGEMENT (Contd...)

6.2 Liquidity Risk (Contd...)

The Company has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The Company attempt to match cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement, or other secured borrowings.

The Company continued to place emphasis on ensuring that cash and undrawn committed facilities are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities. Constant dialogue between company and banks regarding financing requirements, ensures that availability within each single borrower limit is optimised by efficiently reallocating under-utilised facilities within the Company.

The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

Net (debt)/cash

As at 31st March In USD	2024
Short term deposits less than 90 days	1,259,320
Cash in hand and at bank	37,953,476
Total liquid assets	39,212,796
Net (debt)/cash	39,212,796

The following are the contractual maturities of financial liabilities

As at 31st March In USD	Less than One Year	2 to 5 Years	More than 5 Years	Total
Financial Liabilities (Non- Derivative)				
Interest bearing liabilities-leases	-	36,588,792	331,974,325	368,563,117
Amounts due to related parties	35,116,125	-	-	35,116,125
	35,116,125	36,588,792	331,974,325	403,679,242

6.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices.

Market risks comprise two types of risk:

- * Interest rate risk
- * Currency risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The sensitivity analyses in the following sections relate to the position as at 31 March in 2024 and 2023.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at the reporting date.



Colombo West International Terminal (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st March 2024

6. FINANCIAL RISK MANAGEMENT (Contd...)

6.3 Market risk (Contd...)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term debt obligations.

Foreign currency risk

The foreign currency risk of the company considered to be immaterial as the operational currency of the company being USD. However in managing foreign currency translation risk with regard to LKR balances the company has utilized its LKR to the maximum in settling both LKR and USD Commitments.

7. OTHER OPERATING INCOME AND EXPENSES

7.1 Other operating income

Other income is recognised on an accrual basis.

For the period ended 31st March
In USD

	2024	2023
Realised exchange gain	408,185	0
	408,185	0

7.2 Other Operating expenses

Realised exchange Loss	-	1,750,143
Unrealised exchange Loss	300,244	-
	300,244	1,750,143

8. NET FINANCE INCOME

For the period ended 31st March

In USD

	2024	2023
Finance Income		
Interest income	445,597	2,297,770
	445,597	2,297,770

9. PROFIT / (LOSS) BEFORE TAX

For the period ended 31st March

In USD

	2024	2023
--	------	------

Profit / (Loss) before tax is stated after charging all expenses including the following:

Depreciation of property, plant and equipment	55,253	32,164
Auditors' remuneration	3,282	1,176



Colombo West International Terminal (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st March 2024

10. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Basis of recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured.

Basis of measurement

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment. Such cost includes the cost of replacing component parts of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Depreciation

Depreciation is calculated using a straight-line method on the cost of all property, plant and equipment, in order to write off such amounts over the estimated useful economic life of such assets.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The estimated useful life of assets is as follows:

Assets	Years
Plant & Machinery	5
Furniture & Fittings	5
Computer equipment	5

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

As at 31st March In USD	Plant & Machinar	Furniture & Fittings	Computer equipmen	Capital Work in Progress	Total 2024
----------------------------	---------------------	-------------------------	----------------------	-----------------------------	---------------

PROPERTY, PLANT AND EQUIPMENT

10.1 Cost or valuation

As at 01st April 2023	44,400	180,415	43,575	41,185,774	41,454,164
Additions	-	3,107	9,007	82,368,003	82,380,117
As at 31th March 2024	44,400	183,522	52,582	123,553,777	123,834,281

Accumulated depreciation and impairment

At the beginning of the year	(3,104)	(23,843)	(7,309)	-	(34,256)
Charge for the period	(8,879)	(36,211)	(10,162)	-	(55,252)
As at 31th March 2024	(11,983)	(60,054)	(17,471)	-	(89,508)

Carrying value As at 31th March 2024	32,417	123,468	35,111	123,553,777	123,744,773
---	--------	---------	--------	-------------	-------------



10. PROPERTY, PLANT AND EQUIPMENT (Contd..)

10.2 Impairment of non-financial assets

ACCOUNTING POLICY

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flows model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flows model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

11. LEASES

The company has applied SLFRS 16 in assessing whether a contract is or contains a lease. A contract is or contains a lease if the Contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identifiable asset, the Company uses the definition of a lease in SLFRS16.

The Company recognizes a right-to-use asset and a lease liability at the lease commencement date. The right-of-use asset initially recognized at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using straightline method from the commencement date to the end of lease

11.1 Right-of-use assets

As at 31st March	Right-of-use Land
<u>In USD</u>	
Cost or valuation	
At the beginning of the year	176,530,643
Additions	-
As at 31st March 2024	<u>176,530,643</u>
Accumulated depreciation and impairment	
At the beginning of the year	(5,523,505)
Charge for the period- Capitalized during the year	(5,053,982)
As at 31st March 2024	<u>(10,577,487)</u>
Carrying value	
As at 31st March 2024	165,953,156
As at 31st March 2023	171,007,137



Colombo West International Terminal (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st March 2024

As at 31st March In USD	Note	31.03.2024	31.03.2023
12. OTHER CURRENT ASSETS			
Prepayments and non cash receivables		46,411	126,164
Interest Receivable		2,800	48,938
Advances to Suppliers		29,542,418	7,573,055
		<u>29,591,629</u>	<u>7,748,157</u>
13. SHORT TERM INVESTMENTS			
Short term deposits less than 90 days		1,259,320	3,661,327
		<u>1,259,320</u>	<u>3,661,327</u>
14. CASH AND CASH EQUIVALENTS			
Cash in hand and at bank		37,953,476	1,558,034
		<u>37,953,476</u>	<u>1,558,034</u>

As at	31st March 2024		31st March 2023	
	Number of shares	Value of shares In USD	Number of shares	Value of shares In USD
15. STATED CAPITAL				
Fully paid ordinary shares	316,142,782	100,000,000	164,095,376	51,960,785
At the end of the period	<u>316,142,782</u>	<u>100,000,000</u>	<u>164,095,376</u>	<u>51,960,785</u>

15.1 Movement in Stated Capital

	No. of shares	Value In USD
Fully paid ordinary shares as at 01 April 2023	164,095,376	51,960,785
Shares issued during the year ended 31 March 2024		
Adani International Ports Holdings Pte Limited	77,544,178	24,500,000
John Keels Holdings PLC	51,696,118	16,333,333
Sri Lanka Ports Authority	22,807,110	7,205,882
Total shares issued during the year ended 31 March 2024	<u>152,047,406</u>	<u>48,039,215</u>
Fully paid ordinary shares as at 31 March 2024	<u>316,142,782</u>	<u>100,000,000</u>

The company has issued shares to its shareholders in consideration of initial subscription received in the proportion of 51% for Adadi International Port Holdings Pte Ltd, 34% for John Keells Holdings PLC and 15% for Sri Lanka Ports Authority.

As at 31st March
In USD

2024

Shareholder	No of Shares	% Holding	USD
			Value
Adani International Ports Holdings Pte Limited	161,232,819	51%	51,000,000
John Keels Holdings PLC	107,488,547	34%	34,000,000
Sri Lanka Ports Authority	47,421,416	15%	15,000,000
	<u>316,142,782</u>	<u>100%</u>	<u>100,000,000</u>

16. REVENUE RESERVE

	31.03.2024	31.03.2023
At the beginning of the year	(1,868,313)	(1,555,630)
Profit/(Loss) for the period	(113,052)	(312,683)
Other comprehensive gain/(loss)	-	-
	<u>(1,981,365)</u>	<u>(1,868,313)</u>



Colombo West International Terminal (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st March 2024

17. INTEREST BEARING LIABILITIES-LEASES

As at In USD	31.03.2024	31.03.2023
<i>INTEREST BEARING LIABILITIES-LEASES</i>		
Present value of future lease payments	168,303,669	160,583,034
Interest Expense Charged to income statement	-	-
Interest Capitalized	7,573,664	7,720,635
At the end of the period	175,877,333	168,303,669

18. EMPLOYEE BENEFITS LIABILITY

Gratuity Provision		
Gratuity balance as at 1st April 2023	6,590	-
Charge for the year	11,630	6,590
Interest for the year	-	-
Payments/ Payables during the year	-	-
Exchange differences	1,266	-
Gratuity balance as at 31st March 2024	19,486	6,590

19. Short Term - Loan & Borrowings

Bridging Loan - HNB (Facility of USD 35 Million) & Sampath Bank (Facility of USD 27 Million)		
At the beginning of the year	-	-
Loans obtained	46,328,230	-
Loan Arrangement Fee - P/L	69,690	-
Accrued Interest - Capitalized	717,883	-
Balance as at 31st March 2024	47,115,803	-

20. OTHER CURRENT LIABILITIES

	31.03.2024	31.03.2023
Accrued Expenses	33,779	38,358
Salaries Payable	-	11,976
Other Creditors	2,321,193	5,894,939
	2,354,972	5,945,273

21. RELATED PARTY TRANSACTIONS

21.1 Amounts due to related parties	31.03.2024	31.03.2023
John Keells Holdings PLC	222,762	171,751
Adani Ports and Special Economic Zone Limited	531,863	531,863
Adani International Ports Holdings Pte Ltd	34,361,500	342,945
	35,116,125	1,046,559

21.2 Transactions with related parties

For the period ended 31st March In USD	Relationship	2024	2023
Adani International Ports Holdings Pte Ltd	Shareholder		
Equity Investment		24,500,000	7,200,000
Receiving / (rendering) of services		18,555	337,601
John Keells Holding PLC	Shareholder		
Equity Investment		16,333,333	4,799,865
Reimbursement of Expenses		40,465	116,190
Sri Lanka Ports Authority	Shareholder		
Equity Investment		7,205,882	2,117,587
Utility Services and License Fees		4,871,652	86,757



Colombo West International Terminal (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st March 2024

20. RELATED PARTY TRANSACTIONS (Contd...)

20.2 Transactions with related parties (Contd...)

For the period ended 31st March In USD	Relationship	2024
Infomate (Pvt) Ltd Payroll processing services	Other Related Company	3,115
John Keells Office Automation (Pvt) Ltd IT Services	Other Related Company	6,115
Mack Air (Pvt) Ltd Reimbursement of expenses	Other Related Company	6,002
Mackinnons Travels (Pvt) Ltd Provision of Travelling Services	Other Related Company	5,032
Trans Asia Hotels PLC Provision of Hotel Accommodation and Food and Beverage	Other Related Company	6,576
Walkers Tours Ltd Provision of Vehicle Hiring Charges	Other Related Company	3,511
Jay Kay Marketing (Pvt) Ltd Provision of Office Supplies	Other Related Company	6,429
Union Assurance PLC Medical Insurance Coverage	Other Related Company	14,348
Mack International Freight (Pvt) Ltd Reimbursement of expenses	Other Related Company	2,486
Asian Hotels & Properties Plc Provision of Hotel Accommodation and Food and Beverage	Other Related Company	2,036



COLOMBO WEST INTERNATIONAL TERMINAL (PRIVATE) LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2024

Colombo West International Terminal (Private) Limited

DETAILED INCOME STATEMENT

Year Ended 31st March 2024

In USD	Statement	2024	2023
Revenue			
Net revenue		-	-
Cost of sales	I	-	-
Gross Profit		-	-
Other operating income	IV	408,185	
Administration expenses	II	(611,337)	(224,244)
Depreciation and amortisation	III	(55,253)	(18,563)
Other operating expenses	V	(300,244)	(2,549,471)
Results from operating activities		(558,649)	(2,792,278)
Finance costs		-	-
Finance income		445,597	1,941,100
Net finance income		445,597	1,941,100
Profit/(Loss) before tax		(113,052)	(851,178)



Colombo West International Terminal (Private) Limited

DETAILED INCOME STATEMENT

Year Ended 31st March 2024

In USD

STATEMENT I

COST OF SALES

STATEMENT II	2024	2023
ADMINISTRATION EXPENSES		
Employee Benefits Expenses	(47,963)	(18,285)
Gratuity	(11,630)	
Other Admin Expenses		
Rent and rates	(317)	-
Professional services	(65,886)	(13,193)
Audit Fee	(3,282)	(1,927)
Communication	(10,513)	(501)
Travelling	(110,579)	(54,136)
Marketing and Advertising	(12,251)	(36,500)
Bank Commission	(222,108)	(2,688)
Other	(126,808)	(97,014)
	<u>(611,337)</u>	<u>(224,244)</u>

STATEMENT III

Depreciation and amortisation		
Depreciation	(55,253)	(18,563)
	<u>(55,253)</u>	<u>(18,563)</u>

STATEMENT IV

OTHER INCOME		
Realized exchange gain	408,185	-
	<u>408,185</u>	<u>-</u>

STATEMENT V

OTHER EXPENSES		
Unrealized exchange loss	300,244	2,549,471
	<u>300,244</u>	<u>2,549,471</u>

