




COLOMBO PORT CITY
ECONOMIC COMMISSION

Shaping Our Future

COLOMBO PORT CITY ECONOMIC COMMISSION

ANNUAL REPORT 2022

An aerial night view of a city skyline, likely Colombo, Sri Lanka. The image shows a dense cluster of illuminated skyscrapers and buildings along a riverbank. A prominent bridge with a tall pylon and suspension cables spans the river. The city lights reflect on the water, and the overall atmosphere is vibrant and modern.

COLOMBO, A METROPOLIS OF VIBRANT DEVELOPMENT, PROUDLY PRESERVES ITS VERDANT IDENTITY, CAPTIVATING TOURISTS AND PROVIDING A HAVEN FOR RELAXATION AMIDST THE CITY'S BUSTLING ENERGY. AS WE SPEARHEAD OUR VISION TO ESTABLISH THE COLOMBO PORT CITY SEZ, AS A WORLD-CLASS CITY AND BUSINESS HUB FOR SOUTH ASIA, WE REMAIN STEADFAST IN EXTENDING AND PRESERVING A GREEN LEGACY INTO ALL OUR ENDEAVORS.

OUR UNWAVERING COMMITMENT TO SUSTAINABILITY DRIVES US TO INCORPORATE CUTTING-EDGE URBAN DESIGNS THAT PRIORITISE THE CREATION OF A SALUBRIOUS ENVIRONMENT, ESSENTIAL FOR THE WELL-BEING OF GENERATIONS TO COME. AN INTEGRATED APPROACH TO ENERGY, WATER, AND WASTE MANAGEMENT WILL ENSURE LONG-TERM ENVIRONMENTAL SUSTAINABILITY, ENRICHING THE OVERALL LIFESTYLE OF OUR CITIZENS.

THIS VISIONARY COLOMBO PORT CITY SEZ, WILL BOAST FACILITIES FROM WORLD-CLASS PROVIDERS IN BUSINESS SERVICES, HEALTHCARE, EDUCATION, ENTERTAINMENT, HOTELS, AND RESTAURANTS. IN ADDITION TO EXPANSIVE RETAIL AND OFFICE SPACES, IT WILL ALSO FEATURE AN INTEGRATED RESORT AND A MARINA.

WITH THE COMPLETION OF THE COLOMBO PORT CITY PROJECT, WE WILL RESHAPE THE FUTURE OF OUR COUNTRY AND ITS ECONOMY, PROPELLING IT TO INTERNATIONAL STANDARDS.

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ABOUT THE REPORT

Welcome to the second Annual Report of the Colombo Port City Economic Commission (the Commission). This report provides a comprehensive view of the financial and non-financial information pertaining to Colombo Port City for the financial year ended December 2022. The report details the year's business environment, operation project progress, financial performance, risk management framework, corporate governance, and the future plans of the Colombo Port City Special Economic Zone (SEZ).

This report is intended to allow stakeholders to gain comprehensive insights into the operations and progress of the Colombo Port City Special Economic Zone development. The audited Financial Statements and the related notes and requisite disclosures are set out in the report.

This report also provides information about the strategic plans of Colombo Port City and even though these statements are made in good faith based on current realities and assumptions, future results may vary from the predictions in line with the evolution of the project as well as socioeconomic impacts.

ABOUT US



OUR VISION

TO BE A WORLD-CLASS, SUSTAINABLE SERVICE-ORIENTED SPECIAL ECONOMIC ZONE.



OUR MISSION

- BOOST EASE OF DOING BUSINESS.
- ACCELERATE SUSTAINABLE ECONOMIC GROWTH BY CREATING INTRINSIC VALUE FOR INVESTORS.
- GENERATE OPPORTUNITIES FOR STAKEHOLDERS BY PROVIDING A SMART CITY.
- ADHERE TO ENVIRONMENTAL SUSTAINABILITY STANDARDS TO POSITION COLOMBO PORT CITY AS THE PREFERRED INVESTMENT DESTINATION IN THE REGION.



OUR VALUES

- EFFICIENT
- TRUSTWORTHY
- TRANSPARENT
- RESILIENT
- ETHICAL

The Colombo Port City Economic Commission

The Colombo Port City Economic Commission (the Commission) Act, No. 11 of 2021 was approved by the Government of Sri Lanka in May 2021. This landmark legislation ushered in a modern legal framework and a set of attractive regulations specifically designed to foster ease of doing business within the Colombo Port City Special Economic Zone (SEZ).

The Commission serves as the sole governing authority, entrusted with the crucial task of managing and operating the Colombo Port City SEZ. Empowered by the Act, the Commission holds the authority to grant registrations, licenses, authorisations, and other necessary approvals for businesses and activities within the SEZ, ensuring a streamlined and efficient regulatory environment.

Recognising the importance of facilitating investment and promoting business growth, the Commission has established itself as a single-window investment facilitator for the SEZ. This centralised approach streamlines the investment process, providing businesses with a single point of contact and reducing administrative burdens.

Furthermore, the Commission is empowered to determine and grant incentives and exemptions for businesses of strategic importance within the SEZ. This includes pioneering multi-currency export services and trading hubs, further solidifying the

SEZ's position as a regional hub for international trade and commerce.

The Commission's vision extends beyond attracting foreign investment and promoting business growth. It aims to foster a vibrant and diversified economy by facilitating a wide range of industries, including international trade, shipping logistics, offshore banking, financial services, information technology, business process outsourcing, corporate headquarters, regional distribution, and tourism. By supporting these diverse sectors, the Commission seeks to generate direct and indirect employment opportunities, contributing to Sri Lanka's overall economic development.

The establishment of the Colombo Port City Economic Commission marks a pivotal chapter in Sri Lanka's economic journey. Through its commitment to promoting ease of doing business, attracting foreign investment, and fostering a diversified economy, the Commission is poised to propel the nation's economic growth and establish Sri Lanka as a regional leader in innovation and sustainable development.

About Colombo Port City

Colombo Port City is a brand-new city development poised to become a global epicenter of commerce and innovation. With an initial investment of US\$1.4 billion and an anticipated total investment of US\$20 billion upon completion, this 269-hectare reclamation project seamlessly extends the existing Colombo Business District (CBD), redefining the city's skyline and economic landscape.

Colombo Port City is a Special Economic Zone, a Master-Planned City, that stands as a beacon of innovation and sustainable development, Sri Lanka's first master-planned urban city development. This ambitious project, meticulously crafted in collaboration with Surbana Jurong (Singapore) and SWECO (Sweden), envisions a transformative urban landscape, seamlessly blending commercial, residential, retail, hospitality, and diverse lifestyle amenities.

Upon completion, Colombo Port City will boast a gross floor area of 6.3 million square meters across a marketable land extent of 178 hectares. that will be built within the confines of a reclaimed land area of 269 hectares, divided into five distinct precincts, each offering a unique blend of living, working, and leisure experiences.

The city comprises five distinct districts, each with its unique character and charm:

Island Living: A haven of serenity and tranquility, nestled amidst lush greenery and waterfront views.

Central Park Living: A vibrant urban oasis, offering a seamlessly connected lifestyle with parks, playgrounds, and retail spaces.

International Island: A hub of global connectivity, featuring world-class business and leisure facilities.

Financial District: The heart of Sri Lanka's financial sector, home to international banks, insurance companies, and financial institutions.

The Marina: A luxurious waterfront enclave, offering a blend of exquisite residences, upscale retail, and vibrant entertainment options.

CHEC Colombo Port City (Pvt) Limited (Project Company), a subsidiary of China Communication Construction Company (CCCC) - a Fortune Global 500 Company, listed in Hong Kong and Shanghai - spearheads the development of this transformative project. With extensive experience in land reclamation and infrastructure development, CHEC Colombo Port City (Pvt) Limited is meticulously constructing roads, parks, waterways, the beach, utilities, and other essential services, laying the foundation for a thriving urban ecosystem.

Colombo Port City is beyond a physical transformation; it is an expression of Sri Lanka's unwavering commitment to progress and prosperity. This ambitious project is poised to propel the nation's economic growth, generate employment opportunities, and establish Sri Lanka as a global hub for innovation and sustainable development.

PROJECT OVERVIEW



269HA



45 HA

GREEN
SPACE



91 HA

PUBLIC
SPACE

RECLAMATION & INFRASTRUCTURE INVESTMENT
USD 1.4BN

PROJECTED CITY DEVELOPMENT INVESTMENT
USD 13.5BN

TOTAL EXPECTED INVESTMENT USD 15BN

LAND AREA
269 HA

DEVELOPMENT AREA
179 HA

TOTAL BUILD AREA (GFA)
6.3 MN SQM

OFFICE

1.51 MN
SQM

24%

RETAIL

837,466
SQM

13%

HOSPITALITY

404,904
SQM

7%

RESIDENTIAL

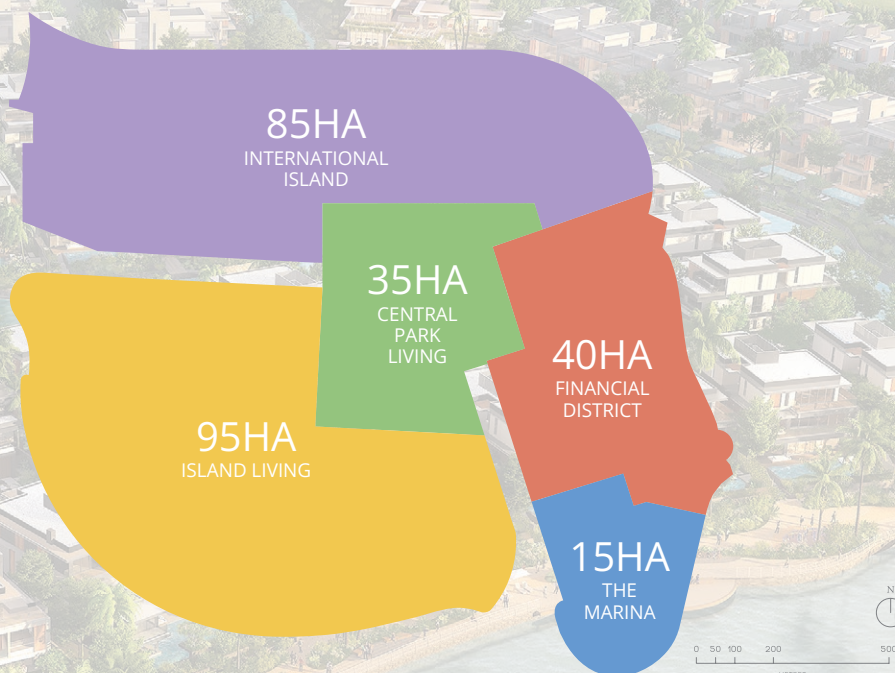
3.2 MN
SQM

51%

OTHERS

328,070
SQM

5%



FINANCIAL DISTRICT

Business and pleasure come together in a world commercial district.

- High Density
- Grade-A office Buildings
- Commercial Boulevard
- Linear Park
- CBD Plaza
- Retail Destination



INTERNATIONAL ISLAND

Enjoy a wide variety of options for business and leisure.

- Medium Density
- Integrated Resort
- Convention & Exhibition Centre
- International School
- Healthcare Facility
- Entertainment Hub



THE MARINA

Promenade among yachts and dine alfresco in the serenity of The Marina.

- Low Density
- Marina Promontory
- Marina Park
- Luxury Residences
- Entertainment & Luxury Retail



CENTRAL PARK LIVING

Enjoy nature in the heart of the city. Cycle, run, stroll and picnic in a lush oasis.

- Medium High Density
- The Channel
- Central Park
- Pavillions
- Green Heart
- Open Blocks



ISLAND LIVING

Everyday is a staycation with the sand and sea at your doorstep.

- Medium Density
- City Beach
- Harbour Quay Park
- Cinnamon Park
- Lotus Boulevard
- Villa Living





how we
govern

MESSAGE FROM THE PRESIDENT



Fellow Citizens,

In these testing times for our nation, Colombo Port City stands tall as a beacon of hope and progress in the country's journey towards economic rejuvenation. At the forefront of our recovery endeavours, the Colombo Port City Economic Commission assumes a pivotal role, orchestrating the blueprint to forge a Specialised Economic Zone that epitomises a dynamic and sustainable service-centric metropolis.

Spanning 269 hectares of reclaimed land, this colossal venture is poised to redefine Sri Lanka's economic landscape, offering an environment that seamlessly amalgamates sustainability and functionality. Investors from across the globe shall find fertile ground within these precincts to establish their enterprises. Under the tutelage of the Commission, which functions as the quintessential one-stop hub for investor facilitation, business organisations will be expediently guided through land lease agreements and provided access to world-class facilities.

Anchored in strategy, the Colombo Port City's growth blueprint propels the realms of international trade, offshore banking, logistics and shipping operations, information technology services, business process outsourcing, corporate headquarters functions, regional distribution nodes, and the vibrant sphere of tourism. Its geographical vantage with the convergence of trade routes further fortifies the ability to attract investors seeking strategic ventures.

Yet, fortification remains the need of the hour. The foundation we lay now shall determine our resilience in the face of external volatilities. Simultaneously, the national economy is steadfastly progressing towards financial and regulatory stability, nurturing an ecosystem conducive to flourishing businesses. We strive to beckon the sectors that align with the nation's aspirations and invite the world to view Sri Lanka as the veritable gateway for service exports within the region.

As we navigate these challenging times, let us draw strength from the promise that the Colombo Port City holds. It stands as a testament to our unwavering commitment to economic resurgence, a tangible manifestation of Sri Lanka's drive to script a compelling story of growth and resilience.

Ranil Wickremesinghe

President

Democratic Socialist Republic of Sri Lanka

MESSAGE FROM THE STATE MINISTER OF MINISTRY OF INVESTMENT PROMOTION



Through the development of a groundbreaking metropolis designed to draw in investors for long-term economic growth, the Colombo Port City metropolis has emerged as a significant venture. This has become more important in driving feasible progress increasingly as we move forward in our quest for economic stability in Sri Lanka. The Government of Sri Lanka is resolutely committed to providing regulatory support to Colombo Port City. To facilitate foreign direct investments, which in turn would create jobs, boost tourism, encourage international trade and encourage foreign exchange earnings to ultimately create a service-oriented economy and position Sri Lanka as a global financial hub.

The Colombo Port City Commission is tasked with creating a service-oriented Special Economic Zone that goes beyond luring investors and spurs economic growth for the whole country. With the conception of a futuristic city, the implementation of strategies, and the timely completion of plans.

On behalf of the government, I sincerely appreciate the Colombo Port City Economic Commission, for their hard work in making this a reality. We also want to assure you that we will continue to support and encourage you in realising our goals of luring in sustainable investments and strengthening the nation's economy.

I further state that the government is obliged to assist the Colombo Port City Commission and employ prudent strategies to enable the Commission to achieve its end goal.

Dilum Amunugama
State Minister
Ministry of Investment Promotion

MESSAGE FROM THE SECRETARY OF MINISTRY OF INVESTMENT PROMOTION

As we delve into the pages of this annual report, we embark on a journey through a year defined by resilience, innovation, and unwavering commitment. It is with great pleasure and a sense of accomplishment that a comprehensive overview of endeavors, achievements, and milestones is presented.

As Sri Lanka continues to rebuild the economy and address financial, economic, and social challenges, Colombo Port City has become a catalyst for progressive economic change. Colombo Port City will usher in a new era of economic prosperity and social change, crafting a futuristic smart city and a hub for innovation and technology.

This development will not only attract foreign investments but also create numerous job opportunities for the local population. Furthermore, Colombo Port City has the potential to boost tourism in Sri Lanka. With its state-of-the-art infrastructure and modern amenities, it can become a popular destination for international travelers, thereby contributing to the country's revenue and promoting cultural exchange. The project is also expected to have positive environmental impacts. Efforts are being made to incorporate sustainable practices in construction and transportation. The Colombo Port City will become a force that will inspire innovation and revolutionize Sri Lanka's international trade, shipping, banking and financial services, information technology, and tourism.

As illustrated in the Colombo Port City Economic Commission Act No. 11 of 2021, we will facilitate a regulatory framework that supports a business-enabling environment, which also expedites the process of setting up a business in the Colombo Port City premises to operate within the frameworks of global financial practices and approaches.

The Ministry of Investment Promotion is unfalteringly unified with the Colombo Port City Commission in bringing to light the strategic vision to create a sustainable financial and economic hub through positioning Colombo Port City to attract foreign direct investment in its authentic light of a specialized economic zone that offers growth-conducive rules and regulations as well as world-class infrastructure.

I am confident that the next phase of Colombo Port City will further our aspirations to enhance Sri Lanka's ranking in the business-enabling environment, thus bringing to fruition our economic and social development agenda to bring prosperity to the nation.

M. M. Nazeemudeen

Secretary

Ministry of Investment Promotion

CHAIRMAN'S MESSAGE



Dear Stakeholders

As we reflect upon the challenges that defined the year 2022, it is evident that resilience is not simply a word, but a living testament to our unwavering commitment. The Colombo Port City Economic Commission emerged from the burden of adversity, steadfastly charting a course that challenged external pressures and embraced transformative possibilities with passion and determination.

Our compass is guided by a strategic vision that envisages the Colombo Port City as more than just a special economic zone; it is a living breathing city focused on sustainability, innovation, and infrastructure. Our aim is singular: to beckon foreign direct investments into an array of opportunities where service-oriented economic progress flourishes. At this juncture, we are presenting the Commission's comprehensive financial and non-financial insights into Colombo Port City's progress for the year ending December 2022.

The bedrock of our strategy resides in crafting a sustainable urban tapestry, an ecosystem where economic, educational, healthcare, and leisure domains connect harmoniously, all while upholding environmental sensibilities. The greatness of our master plan envisions a multi-currency, specialized economic zone—a city for global business initiative and growth. A vibrant hub that embraces diversity and fosters innovation. To catalyze this vision, we are poised to introduce

world-class licensing models, streamlined regulations, accelerator programmes and the support of the “Start-up Sri Lanka” initiative.

Our quest for excellence is a tapestry woven with threads of dynamic change, innovation, and an unwavering commitment to service quality. We are unyielding in our quest to minimize investor costs without compromising the value they deserve.

Our strategic focus centers on nurturing a service-driven economy that seamlessly integrates with the digital era. The dedicated development of infrastructure and resources is aimed at bolstering a wide spectrum of industries, including international trade, shipping, logistics, as well as the IT and BPO sectors, to foster both achievement and prosperity in Sri Lanka

Yet, this journey is not walked alone. Our commitment to robust stakeholder management is unwavering. We have honed a stakeholder management mechanism, an embodiment of our belief that a collaborative approach is the cornerstone of sustainable progress. Throughout the year under review, we nurtured relationships with investors, partners, and communities, fostering a nexus of trust and shared aspirations. Concurrently, our dialogue with policymakers and regulators remained transparent, upholding globally accepted standards.

Corporate governance is our core, where transparency, integrity, and respect converge. Our corporate governance framework ensures not only the sustainability of our operations but also the unwavering thread of accountability.

The Colombo Port City stands as a testament to Sri Lanka's resolute march toward economic stability, in crafting a world class international financial hub. Together, we are crafting history, painting a canvas of progress that transcends the ordinary.

Dinesh Weerakkody

Chairman

Colombo Port City Economic Commission

DIRECTOR GENERAL'S MESSAGE

As the nation faces a financially, economically, and socially challenging period, Colombo Port City, in a period marked by multiple challenges, is resolutely advanced towards its goal of establishing Sri Lanka's first specialized economic zone focusing on the service sector. Our aim and all endeavours towards that aim, remains to facilitate enhanced foreign direct investments into Sri Lanka by creating a business-enabling environment that fosters progress and prosperity in a landmark urban setting that integrates economic and social infrastructure.

Our principal stakeholders – the Government of Sri Lanka and CHEC Port City Colombo Pvt Limited (The Project Company) worked resolutely to achieve the objectives of the project and in full compliance with our enabling legislation, the Colombo Port City Economic Commission Act No 11 of 2021. These efforts prioritise completing the master plan infrastructure development and attracting investor interest to the Colombo Port City project. Key enabling regulations under the Colombo Port City Economic Commission Act were promulgated.

Simultaneously, the Project Company has been diligently implementing the Master plan to create an interconnected and smart urban city space. This space will seamlessly accommodate residential, commercial, retail, and hospitality sectors. The commission also engaged in conclusive discussions with leading names in, healthcare, education, and entertainment to integrate social infrastructure with the physical structures in alignment with the Master Plan. The partners will operate from designated plots specified in the Master Plan.

During the construction phase, the project is expected to receive approximately USD14 billion of Foreign Direct Investments and generate more than 400,000 direct and indirect job opportunities. It is also estimated that Colombo Port City's contribution to GDP of USD24 billion would include supply chain enhancements via the use of material, labour, and services, sourced by domestic and foreign sources. During the operational stage it is estimated that approximately USD13 billion will be contributed to the GDP annually and more than 200,000 direct and indirect job opportunities would be added to the economy.

The Colombo Port City Economic Commission's progress, as the Single Window Investment Facilitator, is entrusted with streamlining and enhancing activities within Colombo Port City for investors, businesses, and residents, towards creating a business-enabling environment.

E. D. P. Soosai pillai

Acting Director General

Colombo Port City Economic Commission





COMMISSION MEMBERS

Dinesh Weerakkody *Chairman*

Dinesh Weerakkody, DBA, has been the Chairman of Hatton National Bank PLC and Commercial Bank of Ceylon PLC. He currently serves as the Chairman of the Board of Investment of Sri Lanka since 21st December 2022, and the Colombo Port City Economic Commission since 28th July 2022.

Dinesh is Deputy Chairman of the Employers' Federation of Ceylon, Immediate Past Chairman of the International Chamber of Commerce Sri Lanka, Vice Chairman of the Sri Lanka Institute of Directors of Sri Lanka, and Director of several companies. He is currently an Advisor on Treasury Affairs to the President and Chairman of the Colombo Port City Economic Commission. He is a former Chairman of the Employees' Trust Fund Board of Sri Lanka, the International Chamber of Commerce Sri Lanka, and the National Human Resource Development Council of Sri Lanka. He was also an Advisor to the Prime Minister of Sri Lanka, the Ministry of National Policies and Economic Affairs and the Minister of Tourism Development.

E. D. P. Soosaipillai *Acting Director General /* *Commission Member*

E. D. P. Soosaipillai was appointed a member of the Commission on 22nd June 2023 and appointed Acting Director General of the Commission on 13th July 2023.

He is currently the Independent Non-Executive Chairman of HDFC Bank of Sri Lanka since April 2023 and an

Independent Non-Executive Director on the Board of James Finlays Colombo Ltd. Since January 2021.

He previously served as Independent Non-Executive Chairman of Commercial Credit and Finance PLC and as an Independent Non-Executive Director on the Board of Hatton National Bank PLC.

Mr. D. Soosaipillai is a fellow of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka. In a career spanning over 35 years in the governance of financial and reporting systems both at the operational and strategic levels.

He brings to the table a core discipline in finance, a core competency in Risk Identification, Assessment and Management at operational levels and Forward Risk Assessment at a strategic level and three decades of experience in senior management in the banking and financial services industry.

His decade and a half of board-level executive experience spans that of several leading specialised leasing companies in the capacity of Finance Director, Chief Executive Officer, and Managing Director, whilst his experience as a Non-Executive Director includes the boards of LFCs, a Systemically Important LCB and Regional Plantation Companies.

He was briefly engaged by the World Bank as a Short-Term Consultant on a Payables Assessment assignment in the Maldives as part of a wider Public Finance Management project in 2012.

Saliya Wickramasuriya *Commission Member*

Saliya joined the upstream oil and gas industry in 1984, working for Schlumberger, the world's largest petroleum services company. Following 20 years in oil exploration worldwide, he returned to Sri Lanka in 2004 and was appointed Chairman/Director General of the Sri Lanka Board of Investment.

He was Chairman of the Sri Lanka Ports Authority from 2006 to 2009, after which he spent 3 years in the international oil and gas sector. Returning to Sri Lanka in 2011, he spent 6 years as the Director General of the Petroleum Resources Development Secretariat, an institution tasked with developing the country's emerging upstream petroleum industry.

Mr. Wickramasuriya has been Co-Chair of the Energy Committee of the Ceylon Chamber of Commerce since 2017, and was appointed Member of the Colombo Port City Economic Commission in May 2021, taking on the additional role of Acting Director General until 1st March 2022 February 28th, 2022. He also serves as the Chairman of the Petroleum Development Authority of Sri Lanka, the newly created upstream petroleum regulator.

Mahinda Siriwardana *Commission Member*

Mahinda is a Deputy Governor of the Central Bank of Sri Lanka and has more than 31 years of service experience in the Central Bank of Sri Lanka.

Prior to his appointment as a Deputy Governor, he held the key positions of Assistant Governor and Director of the Economic Research Department of the Central Bank of Sri Lanka. He was released from the Central Bank of Sri Lanka, to serve as the Secretary to the Treasury and the Ministry of Finance, Economic Stabilisation and National Policies. He also serves as the ex-officio Member of the Monetary Board of the Central Bank and the Finance Commission.

He has served in many committees and councils in various capacities as Chairman of Sustainable Development Council, Chairman of the Monetary Policy Committee and Market Operations Committee of the Central Bank and as a member of the Board of Directors/Treasury Representative in several institutions, including Bank of Ceylon, Commercial Bank of Ceylon PLC, National Savings Bank, Sri Lanka Ports Authority, Board of Investments of Sri Lanka, Export Development Board, Sri Lanka Export Credit Insurance Corporation and Sri Lanka Vocational Training Authority.

He holds a Master of Arts (MA) Degree in Economics and a Postgraduate Diploma in Economic Development from Vanderbilt University, USA and a Bachelor of Arts (BA) (Special) Degree in Economics from the University of Kelaniya.

Reyaz Mihular *Commission Member*

Reyaz has served as Managing Partner of KPMG Sri Lanka & Maldives from April 1, 2012, to March 31, 2022, and was the Chairman of KPMG's Middle East & South Asia (MESA) Regional Cluster during the period 1st October 2018 to 30th September 2021. Reyaz previously served a term as the Chief Operating Officer of the MESA regional office. He also served on KPMG's Europe Middle East & Africa (EMA) Board and on the Global Council of KPMG International.

Reyaz is a Past President and Fellow Member of the Institute of Chartered Accountants of Sri Lanka and is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) – UK. He also served as the Chairman of the CIMA Sri Lanka Division during the year 2013. He has completed International Executive Education programmes at INSEAD, France, Harvard Business School and the London Business School, UK.

Reyaz served as a Board Member of the International Accounting Standards Committee (IASC) for a 5-year term from July 1995 to December 2000. Subsequently, he served on the IASC's Standing Interpretations Committee for a year and as a Member of the IFRS Advisory Council of the International Accounting Standards Board for a 5-year period. He also served as a member of the International Ethics Standards Board for Accountants (IESBA) for a six-year term from January 2013 – December 2018.

Reyaz presently serves as Chairman of Sri Lanka Telecom PLC and Bairaha Farms PLC and as an Independent Non-Executive Director of Nestle Lanka PLC, Melstacorp PLC, DAMRO Holdings Ltd, LTL Holdings Ltd and Agility Innovation (Pvt) Ltd. He also serves on the Colombo Port City Economic Commission as a Commissioner and as a Member of the Stakeholder Engagement Committee of the Central Bank of Sri Lanka.

Niranjan Arulpragasam *Commission Member*

Niranjan Arulpragasam is an Attorney-at-Law practising in Colombo for over 11 years. Previously he was an investment banker at Merrill Lynch, New York, from 2006 to 2009 and an Associate Vice President at Moody's Analytics, Colombo from 2009 to 2010. He was a Consultant to the Ministry of Finance from 2015 to 2017 and also served as a member of the Board of Directors of the Regional Development Bank during this time.

Niranjan received a Kofi Annan International Scholarship to pursue a Bachelor of Arts in Economics at Macalester College, USA, and is a member of Omicron Delta Epsilon, an international honour society in Economics. He also holds an MBA from the INSEAD School of Business, France/Singapore, and was called to the bar in 2012 after passing with honours from the Sri Lanka Law College.

Commission Members

Lalith Wickramaratne *Commission Member*

Lalith is a Chartered Civil Engineer with a distinguished career. He earned his degree from the Faculty of Engineering at the University of Peradeniya in 1981 and immediately commenced his professional journey with the Colombo Municipal Council (CMC).

During his tenure at CMC, he held various pivotal roles, including District Engineer, Deputy Director, Director, Deputy Municipal Commissioner, and ultimately serving as the Municipal Commissioner. Lalith played a pivotal role in the success of numerous noteworthy projects, including the Construction of the R Premadasa Cricket Stadium, the Privatisation of waste management services, the Greater Colombo Wastewater Management Project, and the Metropolitan Environmental Improvement Program, among several other city development and beautification initiatives under the CMC's purview.

Following his retirement from the CMC in 2019, Lalith continued his impactful contributions within the engineering realm. He served as a Consultant's Site Engineer at Yooshin Engineering Corporation, overseeing design and building contracts for Torrington and New Mutwal Stormwater Tunnels. He also served as a Solid Waste Expert at Summit Engineering and Consultants (Pvt) Ltd, contributing to the ADB-funded "Sustainable Urban Development Project," aimed at enhancing Environmental Management Services in Trincomalee, Dambulla, Kurunegala, and Ratnapura. Additionally, he took on the role of Senior Utility Engineer for the esteemed Consultant Japanese Airports Consultants/Nippon Koei during the Bandaranaike International Airport Development Project Phase II Stage 2, focusing on enhancing water supply, sewage, and solid waste systems.

COMMISSION DIRECTORS' PROFILES

Revan Wickramasuriya

Chief Operating Officer

Over 25 years of financial services sector experience across Sri Lanka, Australia, the Asian Subcontinent, the Middle East and Africa.

Revan is a member of the Chartered Financial Analysts (CFA) USA and the Chartered Institute of Management Accountants (CIMA) UK.

He has expertise in developing solutions to manage risks related to financial markets, foreign exchange flows, and credit risk, providing solutions in bilateral and multilateral financing, and balance of payment restructuring to government institutions including Central Banks, Financial Institutions, and Multinational Corporations Across various industries.

Ruwan Karunaratne

Director Finance

Fellow Chartered Accountant with over 25 years of experience in both public and private sector organizations.

Ruwan holds an MBA, specialised in Finance from the University of Colombo, a Fellow Chartered Accountant (FCA), a Chartered Tax Advisor and an Associate member of Certified Management Accounts. (ACMA).

He has extensive experience in Financial Reporting, Tax and Financial Planning, Central Treasury Operations, Budgeting and Forecasting.

Vindhya Weerasekera

Director of Legal & Corporate Affairs

Attorney-at-Law with over 25 years of experience.

Vindhya holds a Bachelor of Laws Degree (LLB) from the University of Colombo, a Master of Laws (LLM) in International Trade Law from the University of Wales, an Post Attorney Diploma in Intellectual Property Law from the Sri Lanka Law College in collaboration with the Asia Pacific Institute, Washington DC, USA.

She has extensive experience at senior levels in both the legal and corporate sectors in senior capacities.

H C J Thilakarathne

Director of Engineering

Over 23 years of experience across Sri Lanka, Asia Pacific, and the Gulf Region in both public and private sectors.

He holds a Bachelor of Science in Engineering (BSc. Eng. Hons) from the University of Peradeniya, Post Graduate Diplomas in Foundation Engineering and Earth Retaining Systems, and Construction Law and Dispute Resolution from the University of Moratuwa. A Chartered Civil Engineer registered in the Engineering Council of Sri Lanka.

He has vast experience in the fields of civil engineering, construction management and administration.

An aerial photograph of a modern urban development. The scene features several tall, glass-clad skyscrapers interspersed with lush green parks and pedestrian walkways. In the foreground, a large, curved building with a glass facade and a green roof is visible, surrounded by trees and outdoor seating areas. The background shows a dense city skyline extending to a body of water under a clear blue sky. A large, semi-transparent purple graphic element, resembling a stylized letter 'G' or a circular arrow, is overlaid on the left side of the image.

how we
operate



OUR STRATEGY

The Colombo Port City Special Economic Zone is geared and positioned to become South Asia's first - and future-ready economic hub and sustainable city. The City's well-planned, and high-quality infrastructure will facilitate global-scale commercial, entertainment, medical, education and lifestyle opportunities. Our core aspirations hinge on creating a global centre for sustainable business innovation and growth through attracting Foreign Direct Investments to operate within a multi-currency, export of services, special economic zone.

Roles and Responsibilities

In executing an ambitious, complex concept such as the Colombo Port City project, different stakeholders collaborate and take responsibility for various aspects of the plan to achieve goals. As shared below, the integral parties for the Colombo Port City project and their respective responsibilities.

The Commission drives the Colombo Port City project by strategically engaging stakeholders across different areas, thus ensuring project requirements are implemented effectively, contributing to a strong business ecosystem.

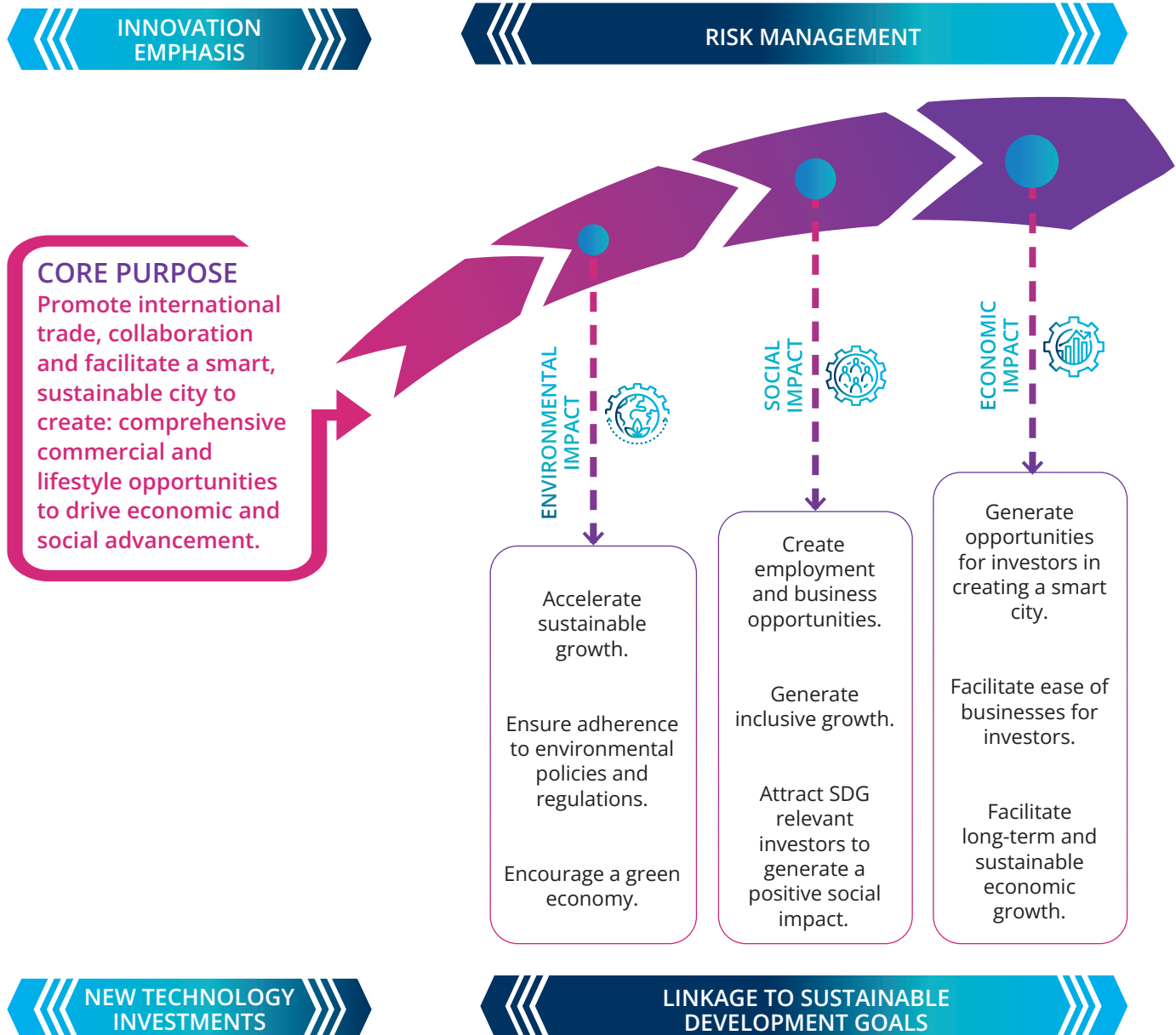
Stakeholder	Primary responsibilities
Colombo Port City Economic Commission	The government entity that is empowered to grant registrations, licenses, authorisations, and OTHER APPROVALS TO CARRY ON BUSINESSES AND OTHER ACTIVITIES in the Colombo Port City SEZ, while also serving as the single window investment facilitator to promote ease of doing business within the zone.
CHEC Port City Colombo Pvt Ltd	The Primary Developer of the Colombo Port City SEZ.

Business Fundamentals

Colombo Port City is a mixed developed, futuristic and sophisticated concept, crafted to create economic prosperity through developing a global scale hub for commercial as well as residential activities in a specialised economic zone. As such, our business fundamentals pivot on core principles of autonomy, inclusivity, authority, and coordination. Moreover, Colombo Port City strives to meet the United Nation's Sustainable Development Goals (SDG) and facilitate an environment that spearheads viable growth.

The interconnected sustainable economic model we strive to cultivate; provides autonomy to investors to maximise on the opportunities for growth that Colombo Port City facilitates, to ensure business success within parameters of positive social, economic and environmental impact. Meanwhile, the Colombo Port City Economic Commission, are the regulators, and the Government of Sri Lanka retain the authority to ensure that investors meet compliance standards. Our inclusivity agenda fosters a vibrant tapestry of interconnected pursuits for growth, where coordination binds organic and strategic development. Weaving sustainability into this fabric, Colombo Port City actively seeks SDG-aligned investors, ensuring long-term prosperity for all.

Our strategy is strongly linked to our value creation and preservation model.



OPERATING ENVIRONMENT

The World Economic Outlook revealed that the global growth forecast contracted from 6.0 in 2021 to 3.2 in 2022. A confluence of factors including the lingering effect of the COVID-19 pandemic, the negative impact of the conflict between Russia and Ukraine and unstable financial markets hindered growth. Meanwhile, Global inflation predictions rose from 2.7 in 2021 to 3.2 and 8.8 in 2023 according to the World Economic Outlook report released in October 2022 by the International Monetary Fund. As the

cost-of-living crisis widened, countries across the globe experienced the negative impact of tight monetary conditions on financial and debt stability.

Sri Lanka experienced a multitude of external and internal pressures during the year 2022. The country lost access to global financial markets in 2020, following a credit rating downgrade, resulting in turning to official reserves and loans from the banking sector to pay off debt and import expenditures.

In this backdrop, Colombo Port City employed prudent ongoing strategies to ensure long-term growth, meet investor expectations, and remain transparent.

(SOURCE: IMF. "World Economic Outlook, October 2022: Countering the Cost-of-Living Crisis." International Monetary Fund, 11 Oct. 2022, www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022.)

STAKEHOLDER ENGAGEMENT

The growth potential and success of Colombo Port City depends largely on how we engage with stakeholders and how well we meet their requirements. As such, we have carefully crafted a framework to manage stakeholder relations to create lasting value for each group in line with their expectations, as well as the overall goals of Colombo Port City.

How We Address Stakeholder Interest

We rely on a well-defined stakeholder management framework and interest mapping tool to understand the different concerns and interests of stakeholders and respond accordingly to create a lasting impact.

As we strive to effectively address different and sometimes conflicting stakeholder interests, we develop appropriate engagement strategies to gauge the prioritization of interest, identify relevant concerns and engage methodologies in a meaningful way to stay true to our core aspirations while taking into consideration broader sustainability.

How We Manage Stakeholder Relationships

In engaging stakeholders, we conduct a purposeful, transparent, inclusive and relevant dialogue. This meaningful dialogue allows us to meet different communication needs, select suitable engagement methods and remain

open to alternative views. We remain proactive to find solutions, address needs and respond to all stakeholders in a timely and respectful manner.

SUSTAINABILITY MANAGEMENT REVIEW

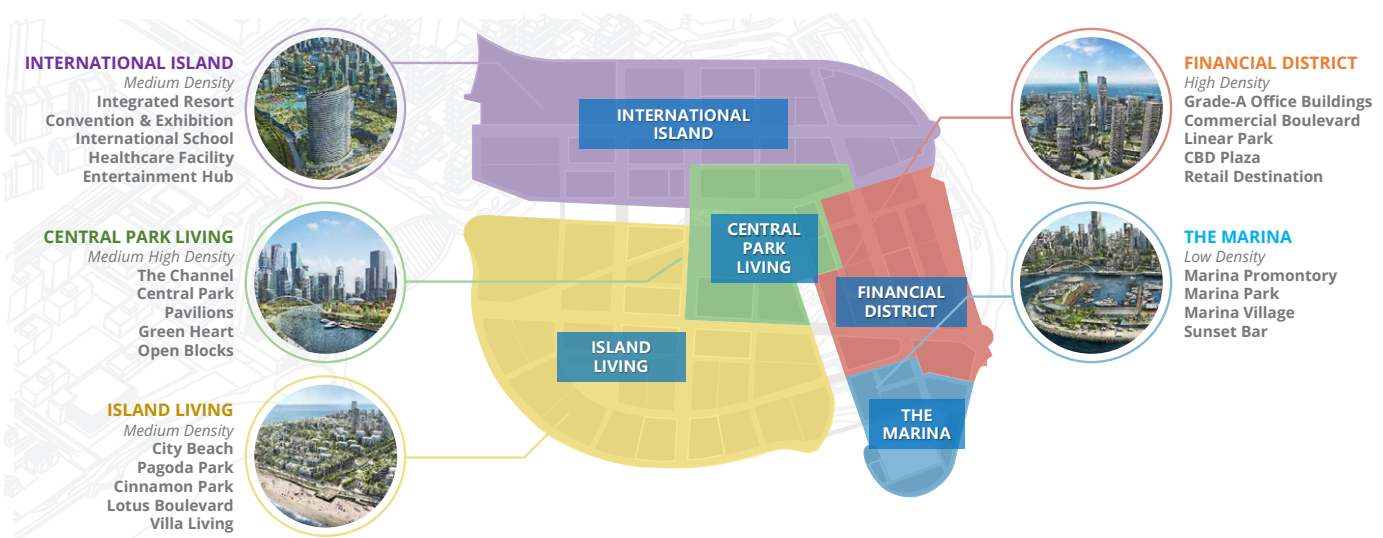
Master Plan Overview

The Future of Business and Sustainable Living

Colombo Port City is a sustainable, smart city, designed to create a future ready international hub where commercial success, urban living and luxury seamlessly connect to create world class space. Once completed, Port City Colombo will become a global metropolis.

Distinct Prescient Personalities

Purposefully designed to offer five distinct precincts, Colombo Port City is a planned future ready commercial, luxury living space that incorporate sustainability at its core. The five precincts provide well-planned facilities to cater to their specific purposes.



International Island

Exceptional healthcare, education and entertainment facilities create a modern, smart space for business and leisure.

Central Park Living

Lush greenery, nature trails and open spaces create a green, urban haven.

Island Living

Stunning seascapes, beautiful promenades, world class entertainment and luxurious facilities create a leisure centre par excellence.

Financial District

Convenient access to business activities and ease of movement creates a commercial hub.

The Marina

Expansive promenades facing yachts, alfresco dining options and wide-open blue skies and the sea create an elegant marina.

Sustainability Management Review

Sustainability

The Master Plan for Colombo Port City Special Economic Zone pivots on the United Nation's 11th Sustainability goal of building Sustainable Cities and Communities. The concept of Sustainable Cities and Communities strive to create urban spaces that are environmentally sustainable, resilient, inclusive, and competitive. The following illustration depict the concept in detail:

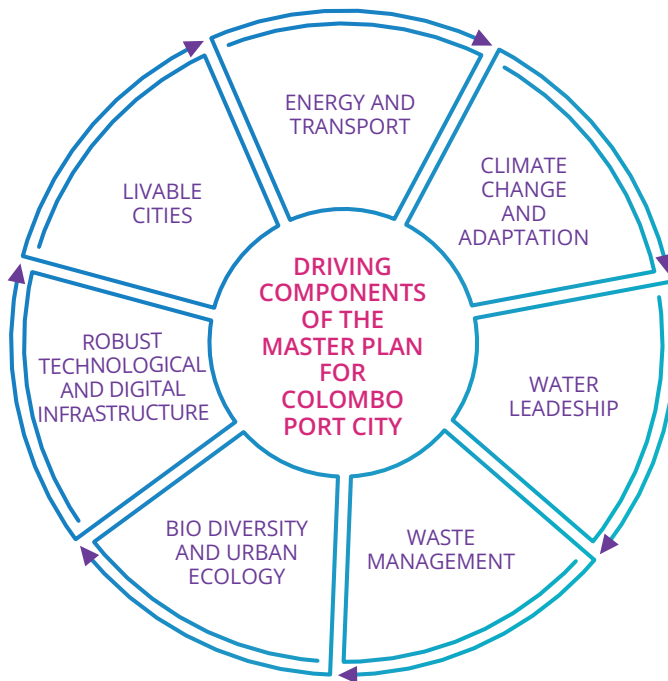


In line with our comprehensive sustainability agenda, the vision for Colombo Port City aspires to create a viable urban space that follows global sustainability standards. The Port City will become a self-sustained space where business activities, education, healthcare, entertainment and lifestyle operate within an efficient, sustainable framework within a meticulously designed locality, empowered by a robust technological infrastructure. As such, Colombo Port City is set to attract multinational organisations and investors, which in turn will further expand the vision for creating a sustainable city and community.

Sustainability Strategy

Colombo Port City plans to raise the bar on building a sustainable urban economic zone through an integrated approach comprising of seven core components.

The seven driving components of the master plan for Colombo Port City:



The design concept and master plan for Colombo Port City addresses sustainability challenges through, creating a streamlined physical and functional structure, coupled with an integrated system solution. The ultimate objective is to create a sustainable and accessible city which reduces the urban heat island effect and functions in a resource efficient manner with minimal energy usage. The Colombo Port City Project employs the below sustainable guiding principles to achieve this end:

URBAN PATTERN

- Well designed layout orientation inclusive of continuation, effective shape and dimensions.
- Respecting local climate conditions into consideration.
- Creating a resource efficient, convenient and aesthetically pleasing urban space.

- Designing and promoting the construction with open green and blue spaces that are easily accessible.

SUSTAINABLE URBAN DESIGN PRINCIPLES

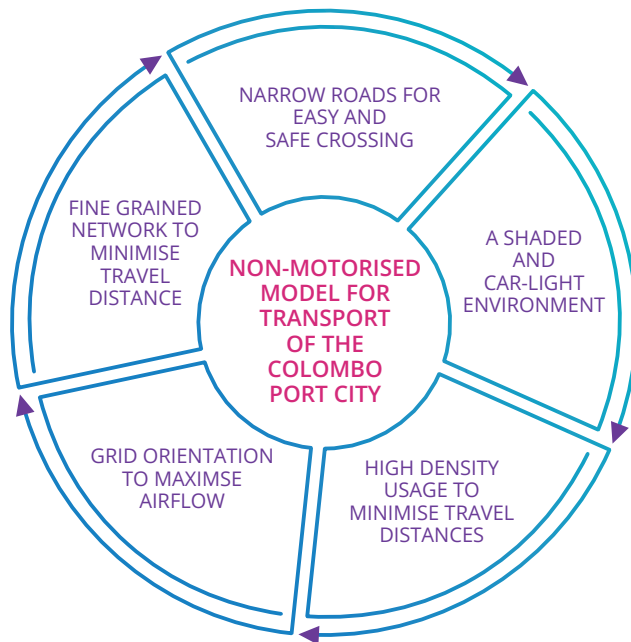
LAND USE TRAFFIC AND TRANSPORT

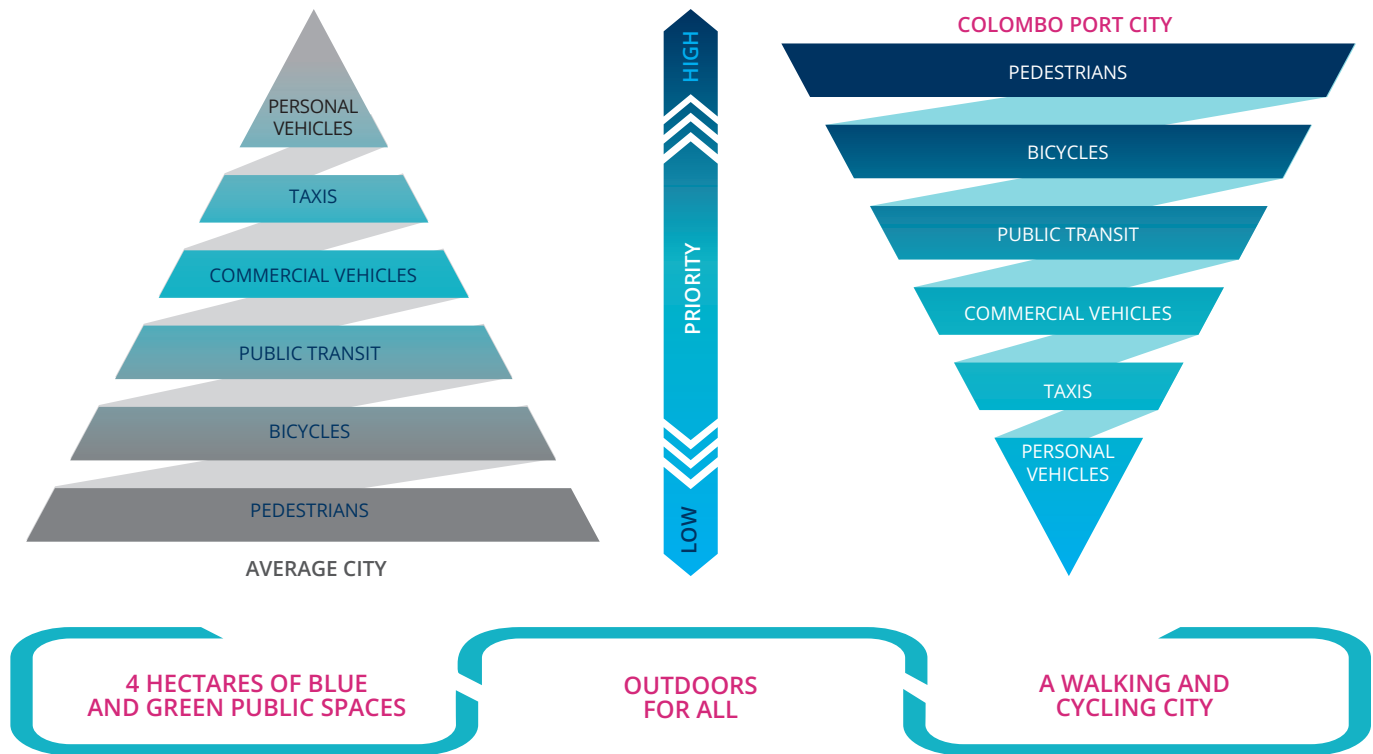
- Creating and facilitating an accessible, efficient and comfortable transport network that incorporates public transport, cycling and walking to minimising the dependency on private vehicles.

Sustainability Management Review

Mindful of the fact that mobility challenges and the environmental and social impact of traffic congestions – the Colombo Port City Project master plan incorporates a non-motorised model for transport. The planned layout of the city incorporates connectivity and accessibility to a world class and efficient public transportation system will create a liveable city where public modes of transport, cycling and walking will become the norm in place of heavy reliance on motorized, personal vehicles.

The master plan includes the following design principles:





The Colombo Port City Project's transport plan intertwines seamlessly with the 'Green and Blue' strategy, prioritising sustainable mobility and environmental harmony.

As such, the project will adhere to the following hierarchy to meet and exceed the standards stipulated by the Urban Development Authority's Public and Open Space standard, as well aligned to internationally accepted best practices for liveable cities.

Green Hierarchy

Parks and open spaces with ample flora will play a vital role in the urban space, creating a healthy, peaceful and liveable urban space.

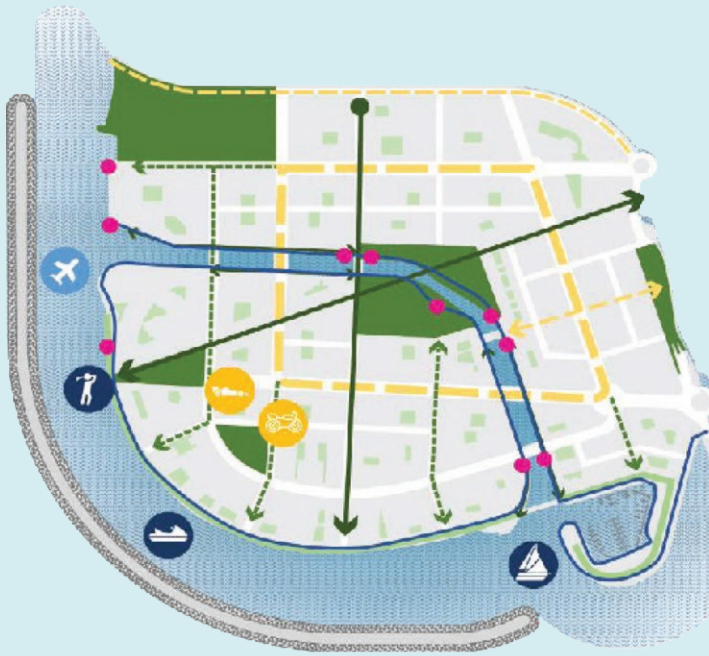
Blue Engagement

Strategically located in a key maritime location, Colombo Port City will incorporate a waterfront promenade that connects the business district with the beach and island living. Access to the Ocean will create avenues for a water taxi service and promote watersport activities.

The transport network will provide access to all locations within the city through a series of lush, shaded walking paths.

Sustainability Management Review

The following illustration present the master plan in detail:



A NETWORK OF PEDESTRIAN & PARK CONNECTORS

Facilitating public access across the city through a series of lush, shaded walking paths. Highlights include:

- Pedestrian Mall
- Boulevard Green
- Green Buffer

PRIMARY SYSTEM

The largest green bodies within Colombo Port City.

- Theme Park
- Central Park
- Linear Park
- Primary Green Connection

SECONDARY SYSTEM

Medium-sized areas including a community park, secondary green connector & waterfront promenade.

- Community Park
- Secondary Green Connectors
- Waterfront Promenade

LOCAL OPEN SPACE SYSTEM

Smaller pockets and connectors including estate parks (serving development parcels), shared streets & channel buffers.

- Estate Parks
- Shared Streets
- Channel Buffer

WATER EDGE STRATEGY

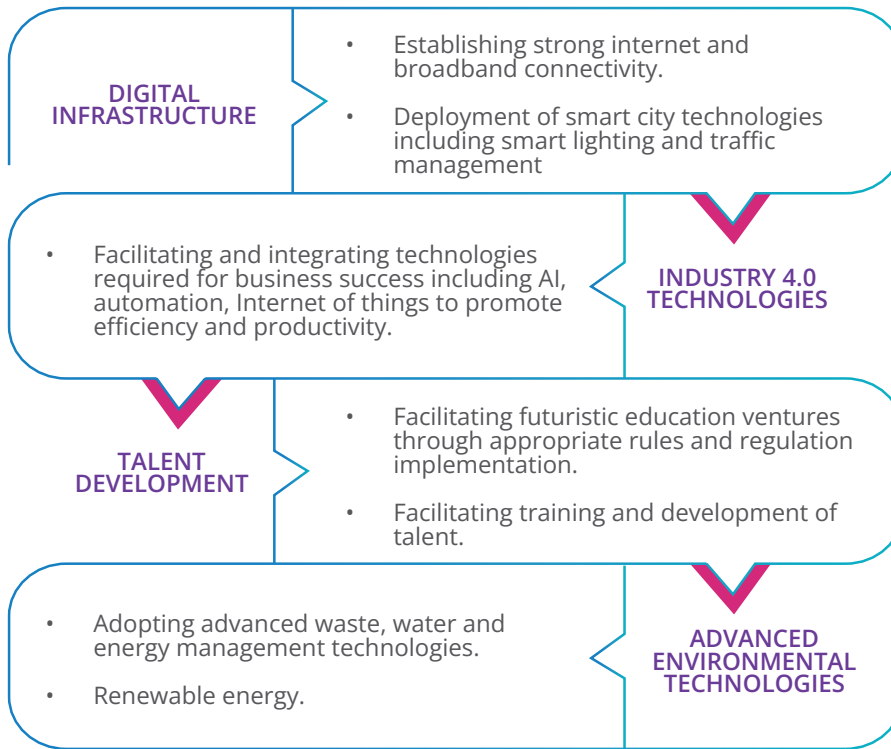
- Water Experiences
- Water Boat Pier & Taxi Stations

OPEN SPACES

- The Channel
- The Marina
- The Beach

Achieving Sustainability Through Technological Advancement

Colombo Port City's technology vision is part and parcel of the overall sustainability concept. In the age of the technological revolution 4.0, digital infrastructure and usage of technology remain relevant and essential for sustainable economic growth in an inclusive model. The Colombo Port City Project's technology roadmap involves current and future business growth touchpoints. The project has outlined and works towards fulfilling four key criteria to achieve technological goals.



Creating a sustainable city and Specialized Economic Zone in line with the Sustainable City and Community development goal is inherently, linked to the other SDGs (Sustainable Development Goals). The overall plan and implementation of components of the Colombo Port City Project will create space for the organic development of an urban space, calculated to achieve the below SDG goals – the impact of which will be felt across Sri Lanka.



CORPORATE GOVERNANCE

The Colombo Port City Economic Commission holds the ultimate responsibility for Colombo Port City. It masterfully manages stakeholder requirements, delivers strategic objectives, and implements all applicable laws and regulations. With unwavering transparency, the Commission guides the project's path, setting the direction, goals, policies, internal controls, and reporting mechanisms.

The Commission leads the risk review process and meticulously monitors all aspects of Colombo Port City. Reliable information, timely compliance, and safeguarding the project's assets and reputation are cornerstones of its oversight.

Through effective leadership and unwavering commitment to corporate values, the Commission Members set the tone at the top. This robust corporate governance approach serves as the linchpin, ensuring sustainable outcomes through integrity, accountability, and insight-driven decision-making.

Compliance with the Code of Best Practice on Corporate Governance

The table below summarises Colombo Port City Economic Commission's compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Colombo Port City Economic Commission - Board Meeting Schedules -2022

NAME	Gamini Marapana PC <i>Chairman/MOC</i>	S R Attygalle <i>MOC</i>	Saliya Wickramasuriya <i>ADG/ MOC</i>	Dr. Priyath Bandu Wickrama <i>MOC</i>	Kushan Kodithuwakku <i>MOC</i>	Rohan De Silva <i>MOC</i>	Gerard Ondaatjie <i>MOC</i>
Meeting date							
Meeting 17 - 11th January	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Meeting 18 - 10th February	Yes	No	Yes	No	Yes	Yes	Yes
Meeting 19 - 3rd March	Yes	No	Yes	Yes	Yes	No	No
Meeting 20 - 15th March	Yes	No	Yes	Yes	Yes	Yes	Yes
Meeting 21 - 29th March	Yes	No	Yes	Yes	Yes	Yes	Yes
Meeting 22 - 20th April	Yes	No	Yes	Yes	Yes	Yes	Yes
Meeting 23 - 3rd May	Yes	No	Yes	Yes	No	Yes	Yes
Meeting 24 - 24th May	Yes	No	Yes	Yes	No	No	Yes
Meeting 25 - 7th June	Yes	No	Yes	Yes	Yes	No	No
		K M M Siriwardana					
Meeting 26 - 28th June	Yes	No	Yes	Yes	Yes	Yes	Yes
Meeting 27 - 1st July	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dinesh Weerakkody	K M M Siriwardana	Saliya Wickramasuriya	Dr. Priyath Bandu Wickrama	Kushan Kodithuwakku	Rohan De Silva	Reyaz Mihular
Meeting 28 - 7th September	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Meeting 29 - 26th October	Yes	No	Yes	Yes	Yes	No	Yes
Meeting 30 - 24th November	Yes	Yes	Yes	Yes	No	Yes	No



financial reports

FINANCIAL REPORTS

Commission

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Commission Fund

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REPORT OF THE AUDITOR GENERAL



ජාතික විගණන කාර්යාලය தேசிய கணக்காய்வு அலுவலகம் NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

} INF/A/06/AR/CPCEC/AR/2022

ඔබේ අංකය
உமது இல.
Your No.

}

දිනය
திகதி
Date

} 31 May 2023

Report of the Auditor General on the Financial Statements of the Colombo Port City Economic Commission for the year ended 31 December 2022 in terms of Section 15 of the Colombo Port City Economic Commission Act, No. 11 of 2021.

His Excellency the President

Report of the Auditor General on the Financial Statements of the Colombo Port City Economic Commission for the year ended 31 December 2022 in terms of Section 15 of the Colombo Port City Economic Commission Act, No. 11 of 2021.

FINANCIAL STATEMENTS

OPINION

The audit of the financial statements of the Colombo Port City Economic Commission (the Commission") for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of comprehensive income, statement of changes in equity and the 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 of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the Colombo Port City Economic Commission Act, No. 11 of 2021. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course. To carry out this audit I was assisted by a firm of International Chartered Accountants in public practice.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Commission as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

BASIS FOR OPINION

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 opinion.

EMPHASIS OF MATTER

I draw attention to Note 2.3.3 of the financial statements, which discusses the Commission's position on the applicability of income tax on the Commission. My opinion is not modified in respect of this matter.

RESPONSIBILITIES OF THE 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 International Financial Reporting 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.



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

As per Section 16(1) of the Colombo Port City Economic Commission Act, No. 11 of 2021, the Commission shall maintain books, registers and records of minutes, accounts, cash securities, vouchers and other documents in compliance with the applicable International Financial Reporting Standards.

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 scepticism 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 Commission'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 Commission'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 Commission 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.



W.P.C. Wickramaratne
Auditor General

STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31st December 2022	Period from 27th May 2021 to 31st December 2021
	Note	Rs.	Rs.
Incoming resources	3	245,413,217	48,771,584
Direct expenses		-	-
Gross surplus		245,413,217	48,771,584
Administration expenses		(262,294,418)	(38,168,906)
Promotional and marketing expenses		(1,250,637)	(1,582,192)
Finance expenses	4	(201,382)	(157,742)
		(263,746,437)	(39,908,840)
Surplus/(deficit) for the year	5	(18,333,220)	8,862,744
Other comprehensive income		-	-
Surplus/(deficit) for the year after total comprehensive income		(18,333,220)	8,862,744

Figures in brackets indicate deductions.

The accounting policies and notes on pages 42 to 54 form an integral part of these financial statements.

Colombo
25th May 2023

STATEMENT OF FINANCIAL POSITION

	Note	As at 31.12.2022 Rs.	As at 31.12.2021 Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	6	8,525,938	7,813,821
Capital work-in-progress	7	191,723,887,631	160,808,037,740
Right-to-use assets	8	-	4,419,896
Total non-current assets		191,732,413,569	160,820,271,457
Current assets			
Other receivables	9	4,459,585	2,648,358
Cash and cash equivalents	10	50,000	49,253
Total current assets		4,509,585	2,697,611
Total assets		191,736,923,154	160,822,969,068
EQUITY AND LIABILITIES			
Accumulated surplus/(deficit)		(9,470,476)	8,862,744
Government contribution		191,723,887,631	160,808,037,740
Total equity		191,714,417,155	160,816,900,484
Non - current liabilities			
		-	-
Current liabilities			
Trade and other payables	11	22,505,999	1,607,050
Lease liability	12	-	4,461,534
Total current liabilities		22,505,999	6,068,584
Total liabilities		22,505,999	6,068,584
Total equity and liabilities		191,736,923,154	160,822,969,068

Figures in brackets indicate deductions.

The accounting policies and notes on pages 42 to 54 form an integral part of these financial statements.

These financial statements are in compliance with the requirements of the Colombo Port City Economic Act No. 11 of 2021.



Mr. Ruwan S. Karunaratne
Director - Finance

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

Approved and signed for and on behalf of the Board.



Mr. Reyaz Mihular
Commissioner



Mr. Saliya Wickramasuriya
Commissioner

STATEMENT OF CHANGES IN EQUITY

Description	Accumulated surplus/(deficit) Rs.	Government contribution Rs.	Total Rs.
Balance at the beginning of the period	-	-	-
Net surplus for the period	8,862,744	-	8,862,744
Contribution from the Government (Note 07)	-	160,808,037,740	160,808,037,740
Balance as at 31st December 2021	8,862,744	160,808,037,740	160,816,900,484
Contribution from the Government (Note 07)	-	30,915,849,891	30,915,849,891
Net deficit for the year	(18,333,220)	-	(18,333,220)
Balance as at 31st December 2022	(9,470,476)	191,723,887,631	191,714,417,155

Figures in brackets indicate deductions.

The accounting policies and notes on pages 42 to 54 form an integral part of these financial statements.

Colombo
25th May 2023

STATEMENT OF CASH FLOWS

	For the year ended 31st December 2022 Rs.	Period from 27th May 2021 to 31st December 2021 Rs.
Cash flows from commission activities		
Surplus/(deficit) for the year	(18,333,220)	8,862,744
Adjustments for:		
Depreciation on property, plant and equipment	2,100,483	419,713
Amortisation of right-to-use assets	17,236,780	4,419,896
Interest on lease	201,382	157,742
Operating surplus before working capital changes	1,205,425	13,860,095
Increase in other receivables	(1,811,227)	(2,648,357)
Increase in trade and other payables	20,904,949	1,607,050
Cash generated from operations	20,299,147	12,818,788
Net cash from operating activities	20,299,147	12,818,788
Cash flow from investing activities		
Purchase of property, plant and equipment	(2,812,600)	(8,233,535)
Net cash used in investing activities	(2,812,600)	(8,233,535)
Cash flow from financing activities		
Repayment of lease	(17,485,800)	(4,536,000)
Net cash used in financing activities	(17,485,800)	(4,536,000)
Net increase in cash and cash equivalents	747	49,253
Cash and cash equivalents at the beginning of the year	49,253	-
Cash and cash equivalents at the end of the year (Note A)	50,000	49,253
Cash and cash equivalents at the end of the year		Note A
Petty cash	50,000	49,253
	50,000	49,253

Figures in brackets indicate deductions.

The accounting policies and notes on pages 42 to 54 form an integral part of these financial statements.

Colombo
25th May 2023

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Colombo Port City Economic Commission ("the Commission") is a commission established under the Colombo Port City Economic Commission Act No. 11 of 2021 ("the Act") and domiciled in Sri Lanka. The registered office of the Commission and principal place of business are situated at Unit 901, One Galle Face Tower, 1A, Centre Road, Colombo 02.

1.2 Principal activities and nature of operations

During the year, the principal activities of the Commission were granting registrations, licenses, authorisations and other approvals to carry on businesses and other activities in and from the Colombo Port City and facilitate businesses and investments in terms of the Act.

1.3 Date of authorization for issue

The financial statements of the Commission for the year ended 31st December 2022 were authorised for issue by the Commission on 25th May 2023.

1.4 Responsibility for financial statements

The Commission is responsible for the preparation and presentation of the financial statements of the Commission as per the provisions of the Act and in accordance with International Financial Reporting Standards issued by the IFRS Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General accounting policies

2.1.1 Statement of compliance

The financial statements which comprise the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with significant accounting policies and notes ("financial statements") of the Commission as at 31st December 2022 and for the year then ended, have been prepared and presented in accordance with International Financial Reporting Standards and the requirements of the Act.

2.1.2 Basis of measurement

The financial statements of the Commission have been prepared under the historical cost convention.

2.1.3 Functional and presentation currency

Items included in the financial statements of the Commission are measured using the currency of the primary economic environment in which it operates (the functional currency). These financial statements are presented in Sri Lankan Rupees, the Commission's functional and presentation currency. There was no change in the Commission's presentation and functional currency during the period under review.

2.1.4 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial as permitted by the International Financial Reporting Standards.

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to settle on a net basis or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless it is required or permitted by any accounting standard or interpretation as specifically disclosed in the accounting policies.

2.1.5 New accounting standards, amendments and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but are not yet effective, up to the date of issuance of the Commission's financial statements are disclosed below.

The Commission intends to adopt these amended standards and interpretations, if applicable, when they become effective.

Accounting Standard	Description	Effective Date
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12)	The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases.	1st January 2023
Amendments to LKAS 1	Classification of liabilities as current or non-current	1st January 2023
Amendments to LKAS 1 and SLFRS Practice Statement 2	Disclosure of accounting policies	1st January 2023
Amendments to LKAS 8	Definition of accounting estimates	1st January 2023
Amendments to SLFRS 17	Insurance Contracts	1st January 2023

The adoption of these amendments and interpretations does not have any material impact on the financial statements of the Commission.

2.1.6 Significant accounting judgments, estimates and assumptions

a) Judgements

In the process of applying the accounting policies, the Commission has made judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of financial position, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, have been considered.

2.1.7 Going concern

In preparing these financial statements, based on available information, the Commission has assessed the appropriateness of the use of the

going concern basis. The Commission is satisfied that the Commission has adequate resources to continue the business affairs to a foreseeable future and justifies the adoption of the going concern basis in preparing these financial statements as empowered by the Colombo Port City Economic Commission Act No. 11 of 2021.

2.1.8 Foreign currency transactions

All foreign exchange transactions are converted into the functional currency at the rates of exchange prevailing at the time the transactions were effected.

Monetary assets and liabilities denominated in foreign currencies at the reporting date have been translated to Sri Lankan Rupee using the period end spot exchange rates and the resulting gains or losses accounted in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies have been translated using the exchange rates that existed when the values were determined. The resulting gain or loss is accounted in the statement of comprehensive income.

2.2 Assets, liabilities and bases of their valuation

2.2.1 Property, plant and equipment

a) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, 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 property, plant and equipment when that cost is incurred, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Commission recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

When a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the surplus or deficit as incurred.

Notes to the Financial Statements

b) Useful lives of property, plant and equipment

The Commission reviews the assets' residual values, useful lives and methods of depreciation at each reporting date; judgment made by management based on the professional expertise exercised in the estimation of these values, rates and methods.

c) Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The economic useful lives of property, plant and equipment are as follows:

Category	Years
Furniture and fittings	05
Office equipment	05
Computer and equipment	04

Depreciation of assets begins when it is available for use and ceases at the earlier of the date when the asset is classified as held for sale and the date when that asset is de-recognised.

d) Restoration costs

Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance is recognised as an expense when incurred.

e) Derecognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount is included in the statement of comprehensive income in the year the asset is de-recognised.

f) Capital work-in-progress

Capital work-in-progress represents costs incurred to date by the Project Company for the execution and completion of the reclamation work which includes the breakwater, whole reclamation of the seabed and development of associated work. The cost of the reclamation work includes all the cost incurred by the Project Company as of the reporting date excluding the proportionate cost allocated to marketable land area which the Project Company has the rights to enjoy all the economic benefits until cessation of such rights.

Upon receiving the completion certificate of reclamation works, capital work-in-progress is capitalised under respective asset classes of property, plant and equipment as required by IAS 16 – Property, Plant and Equipment.

2.2.2 Leases

The Commission assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) Commission as a lessee

The Commission applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Commission recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

b) Right-of-use assets

The Commission recognises the right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at, or before the commencement date less any lease incentives received. Right-of-use assets are amortised on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

The Commission's right to use assets and related disclosures is given in Note 8 to the financial statements.

2.2.3 Impairment of non-financial assets

The Commission assesses at each reporting date to ascertain whether there is an indication that an asset may be impaired. If such indication exists or when the annual impairment testing for an asset is required, the

Commission 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 a 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 the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset.

Impairment losses of continuous operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

2.2.4 Financial assets

Financial assets within the scope of IFRS 9 – Financial Instruments are classified as amortised cost, fair value through other comprehensive income (FVOCI) and fair value through surplus or deficit.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Commission's business model for managing them. This assessment is referred to as the SPPI test and is performed at instrument level. The business model

determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Except for trade receivables that do not contain a significant financing component or for which the Commission has applied the practical expedient, others are measured at transaction price.

The financial assets of the Commission include cash and cash equivalents and other receivables. Those financial assets are classified as financial assets at amortised cost.

Financial assets at amortised cost

These assets arise principally from the provision of goods and services to customers (trade and other receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely the payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

2.2.4.1 De-recognition

The Commission derecognises a financial asset when, and only when:

- a) the contractual rights to the cash flows from the financial asset expire, or
- b) it transfers the financial assets and the transfer qualifies for de-recognition.

The Commission transfers a financial asset if, and only if, it either transfers the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

When the Commission transfers a financial asset, the Commission evaluates the extent to which it retains the risks and rewards of the ownership of the financial asset. In this case:

- a) if the Commission transfers substantially all the risks and rewards of ownership of the financial asset, the Commission de-recognises the financial asset and recognises separately as assets or liability any rights and obligations created or retained in the transfer,
- b) if the Commission retains substantially all the risks and rewards of ownership of the financial asset, the Commission continues to recognise the financial asset,
- c) if the Commission neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Commission determines whether it has retained control of the financial asset.

2.2.5 Financial liabilities

Classification of financial liabilities
The financial liabilities of the Commission include lease liabilities and other payables which are classified as financial liabilities at amortised cost.

Notes to the Financial Statements

Financial liabilities measured at amortised cost

A financial liability other than those measured at fair value through surplus or deficit is classified as a financial liability measured at amortised cost. A financial liability at amortised cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. After initial recognition, the financial liability is measured at amortised cost based on the effective interest rate method.

2.2.5.1 De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.2.6 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 realize the assets and settle the liabilities simultaneously.

2.2.7 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using the recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

2.2.8 Other receivables

Other receivables are recognised at the amounts they are estimated to realise net of allowance for impairment. The amount of the allowance is recognised in the statement of comprehensive income.

2.2.9 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand and cash at bank which are highly liquid investments and readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cash at bank and highly liquid interest-bearing securities of three months or less and net of outstanding bank overdrafts.

The cash flow statement is reported based on the indirect method.

2.3 Liabilities and provisions

2.3.1. Other payables

Other payables are obligations to pay for services that have been received in the ordinary course of business. These are classified as current liabilities where payment is due within one year or less, if not, they are presented as non-current liabilities.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at original invoiced amount since the effect of discounting is immaterial.

2.3.2. Employee benefit

a) Defined contribution plans – Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. The Commission contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

2.3.3. Income tax

The Colombo Port City is a Special Economic Zone (SEZ) identified by the Colombo Port City Economic Commission Act No. 11 of 2021 ("the Act") and will have a significant impact on the national economy in

terms of Foreign Direct Investments, Employment Generation, Government Revenue, Gross Domestic Product contribution and balance of payment. The principal activity of the Commission is granting registrations, licenses, authorisations and other approvals to carry on businesses and other activities in, and from the Colombo Port City and facilitate businesses and investments in terms of the Act, therefore, no income earning motive exists.

As per Section 23 (2) (c) of the Act, all sums of money received from any lease of Government Marketable Land and Project Company Marketable Land situated within the Area of Authority of the Colombo Port City, should be credited to the Colombo Port City Economic Commission Fund ("Fund"), and should be remitted to the consolidated fund as stipulated in Section 23 to the Colombo Port City Economic Commission Act, simultaneous to the execution of the respective indentures of the lease, after deducting expenditure as allowed in the Act. Further, as per Section 23 (2) (d), all sums of money may be received by the Fund by way of local assessment rates and any other levies imposed by the Commission at such rates as prescribed within the Area of Authority of the Colombo Port City, which sums shall be credited to the Consolidated Fund on a quarterly basis and will form part of Government Revenue.

Therefore, the Fund is maintained on behalf of the government as the custodian to collect all the sums

of money received and receivable in providing investment facilitator services as permitted in the Act and the Commission is allowed to draw funds from the Commission Fund only to defray expenses.

In line with the above, the Commission is of the view that The Colombo Port City Economic Commission is not liable to pay income tax since the collections form part of Government Revenue and it goes to the Consolidated Fund.

2.3.4. Lease liabilities

At the commencement date of the lease, the Commission recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the Commission uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments). The Commission's lease liabilities and

related disclosures are given in Note 12 to the financial statements.

2.3.5. Provisions

Provisions are recognized when the Commission has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.3.6. Commitments

All material commitments as at the reporting date have been identified and disclosed in the notes to the financial statements.

2.4. Statement of comprehensive income

2.4.1.1. Incoming resources

Incoming resources represent the funds received from the Colombo Port City Economic Commission Fund to manage the affairs of the Commission as stipulated under Section 23 (3) of the Act.

Notes to the Financial Statements

2.4.2. Expenditure

- a) The expenditure is recognised on an accrual basis. All expenses incurred in the ordinary course of business and in maintaining the property, plant and equipment in a state of efficiency has been recognised in arriving at the result for the year.
- b) Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent where borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets which are the assets that necessarily take a substantial period of time to get ready for their intended purposes and are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.
- c) For the presentation of the statement of comprehensive income, the executive committee is of the opinion that the function of the expense method presents fairly the element of the Commission's performance, and hence, such presentation method is adopted.

2.5. Events after the reporting period

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.

	For the year ended 31st December 2022 Rs.	Period from 27th May 2021 to 31st December 2021 Rs.
3. INCOMING RESOURCES		
Transferred from the fund	245,413,217	48,771,584
	245,413,217	48,771,584
4. FINANCE EXPENSES		
Interest on lease	201,382	157,742
	201,382	157,742
5. SURPLUS/(DEFICIT) FOR THE YEAR		
Surplus/(deficit) for the year is stated after charging all expenses including the following:		
Auditor's remuneration - audit services	208,250	262,040
Professional fee	149,010,773	4,366,150
Commissioners remuneration	8,800,000	9,800,000
Accounting fee	3,469,625	1,210,680
Depreciation on property, plant and equipment	2,100,483	419,713
Amortisation of right-of-use of assets	17,236,780	4,419,896
Legal fees	4,177,700	1,460,000

Notes to the Financial Statements

Description of assets	COST			DEPRECIATION			W.D.V.	
	Balance as at 01.01.2022 Rs.	Addition for the year Rs.	Balance as at 31.12.2022 Rs.	Balance as at 01.01.2022 Rs.	For the year Rs.	Balance as at 31.12.2022 Rs.	Balance as at 31.12.2022 Rs.	Balance as at 31.12.2021 Rs.
6. PROPERTY, PLANT AND EQUIPMENT								
Furniture and fittings	903,175	72,300	975,475	226,255	196,284	422,539	552,936	676,920
Office equipment	5,591,571	452,480	6,044,051	52,733	1,171,372	1,224,105	4,819,946	5,538,838
Computer equipment	1,738,789	2,287,820	4,026,609	140,726	732,827	873,553	3,153,056	1,598,063
	8,233,535	2,812,600	11,046,135	419,714	2,100,483	2,520,197	8,525,938	7,813,821
						As at 31.12.2022 Rs.	As at 31.12.2021 Rs.	

7. CAPITAL WORK-IN-PROGRESS

Land reclamation works	
Balance at the beginning of the year	160,808,037,740
Additions made during the year	30,915,849,891
Balance at the end of the year	191,723,887,631

As specified in the Section 65 (3) of the Colombo Port City Economic Commission Act No. 11 of 2021, His Excellency the President of Democratic Socialist Republic of Sri Lanka, on August 12, 2021 issued a Presidential Grant under Section 6 of the State Lands Ordinance (Chapter 454) to vest the reclaimed area of 446.09 ha. with the Commission. The extent of the reclaimed area consists of 269 ha. of marketable land and remaining of 177.09 ha. consist of waterways, the seabed and other common areas.

The 269 ha. of marketable land reclaimed by the Project Company at no consideration payable by the Government of Sri Lanka (GOSL). To recover the investment made by the Project Company, GOSL agreed by the Tri-Party Agreement (TPA) to allocate on long-term lease of 116.1 ha (46 plots) of reclaimed marketable land to the Project Company leaving a balance extent of 329.99 ha comprising of marketable lands, common areas and others.

As at 31st December 2022, the Project Company has incurred US\$ 1,199,556,527/- (2021 - US\$ 1.0845 billion) for the infrastructure development and the reclamation works are still in progress.

The costs being incurred on such assets cannot be recognised as an operating asset until they qualify as a ready to use the asset. Therefore, all costs incurred on land reclamation and infrastructure development are recorded as "Capital work-in-progress (CWIP)". The Commission has recognised US\$ 887,671,830/- (2021 - US\$ 802.3 million) amounting to Rs. 191,723,887,631/- (2021 - Rs.160,808,037,740/-) as Capital work-in-progress eliminating infrastructure cost related to 116.1

ha (46 plots) on the basis that the Commission has no rights to generate any economic benefits from the marketable land allocated to the Project Company until such time the Project Company ceases its interest to enjoy economic benefits from those marketable land slots allocated to them.

	As at 31.12.2022 Rs.	As at 31.12.2021 Rs.
8. RIGHT-OF-USE ASSETS		
Cost		
Balance at the end of the year	8,839,792	-
On adoption of application of IFRS 16	-	8,839,792
Addition for the year	12,816,884	-
Balance at the end of the year	21,656,676	8,839,792
Amortization		
Balance at the end of the year	4,419,896	-
Charge for the year	17,236,780	4,419,896
Balance at the end of the year	21,656,676	4,419,896
Net carrying value	-	4,419,896
9. OTHER RECEIVABLES		
Prepayments and advances	4,144,585	2,333,358
Other receivables	315,000	315,000
	4,459,585	2,648,358
10. CASH AND CASH EQUIVALENTS		
Petty cash	50,000	49,253
	50,000	49,253
11. TRADE AND OTHER PAYABLES		
Trade payable	1,374,009	-
Accrued expenses	21,131,990	1,607,050
	22,505,999	1,607,050

Notes to the Financial Statements

	As at 31.12.2022 Rs.	As at 31.12.2021 Rs.
12. LEASE LIABILITY		
Lease liability on right-of-use assets		
Gross lease liability		
Balance at the beginning of the year	4,542,000	-
On adoption of application of IFRS 16	-	9,078,000
Addition for the year	12,943,800	-
Repayment made during the year	(17,485,800)	(4,536,000)
Balance at the end of the year	-	4,542,000
Interest in suspense		
Balance at the beginning of the year	74,466	-
On adoption of application of IFRS 16	-	232,208
Addition for the year	126,916	-
Interest charge for the year	(201,382)	(157,742)
Balance at the end of the year	-	74,466
Net lease liability	-	4,616,466
Repayable after one year	-	-
Repayable within one year	-	4,461,534

13. CONTRACTUAL COMMITMENTS

13.1 Financial commitments

There were no material financial commitments as at the reporting date.

13.2 Capital commitments

There were no material capital commitments as at the reporting date.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liability or contingent assets as at the reporting date.

15. EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the end of the reporting date, which would require adjustments to, or disclosure in the financial statements.

16. FINANCIAL RISK MANAGEMENT

i. Overview

The Commission has the exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk

This note presents information about the Commission's exposure to each of the above risks, the Commission's objectives, policies and processes for measuring and managing risk, and the Commission's management of capital.

ii. Risk management framework

The executive committee has the overall responsibility for the establishment and oversight of the Commission's risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Commission if a party fails to meet its contractual obligations. Credit risk mainly arises from other receivables and cash at bank.

	Carrying amount	
	As at	As at
	31.12.2022	31.12.2021
	Rs.	Rs.
Cash and cash equivalents	50,000	49,253
other receivables	4,459,585	2,648,358
	4,509,585	2,697,611

Notes to the Financial Statements

(b) Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Commission'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, without incurring unacceptable losses or risking damage to the Commission's reputation.

The following are the contractual maturities of financial liabilities as at the year end.

	Carrying Amount Rs.	0-6 Months Rs.	6-12 Months Rs.
31st December 2022			
Other payables	22,505,999	22,505,999	-
	22,505,999	22,505,999	-
31st December 2021			
Lease liability	4,461,534	2,230,767	2,230,767
Other payables	1,607,050	1,607,050	-
	6,068,584	3,837,817	2,230,767

(c) Market risk

Market risk is the risk that changes in market factors, such as foreign exchange rates and interest rates that will affect the Commission's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return.

REPORT OF THE AUDITOR GENERAL



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

INF/A/06/AR/CPCEC/AR/2022

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date } 31 May 2023

Report of the Auditor General on the Financial Statements of the Colombo Port City Economic Commission Fund for the year ended 31 December 2022 in terms of Section 23 (5) of the Colombo Port City Economic Commission Act, No. 11 of 2021.

His Excellency the President

Report of the Auditor General on the Financial Statements of the Colombo Port City Economic Commission Fund for the year ended 31 December 2022 in terms of Section 23 (5) of the Colombo Port City Economic Commission Act, No. 11 of 2021.

FINANCIAL STATEMENTS

OPINION

The audit of the financial statements of the Colombo Port City Economic Commission Fund ("the Fund") for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of income and expenditure, statement of changes in accumulated fund and the 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 of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the Colombo Port City Economic Commission Act, No. 11 of 2021. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course. To carry out this audit I was assisted by a firm of Chartered Accountants in public practice.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2022, and of its surplus and its cash flows for the year then ended in accordance with the Sri Lanka Accounting Standards.

BASIS FOR OPINION

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 opinion.

EMPHASIS OF MATTER

I draw attention to Note 2.3.2 of the financial statements, which discusses the Commission's position on the applicability of income tax on the Fund. My opinion is not modified in respect of this matter.

RESPONSIBILITIES OF THE 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 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

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 scepticism 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 Fund'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 Fund'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 Fund 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.



W.P.C. Wickramaratne
Auditor General

STATEMENT OF INCOME AND EXPENDITURE

		For the year ended 31st December 2022	Period from 27th May 2021 to 31st December 2021
	Note	Rs.	Rs.
Fee and income	3	-	405,074,726
Direct expenses		-	-
Gross surplus		-	405,074,726
Other income	4	37,190,824	10,007,017
Administration and other expenses	5	(461,732)	(63,859)
Surplus for the period		36,729,092	415,017,884
Other comprehensive income		-	-
Total comprehensive income		36,729,092	415,017,884

Figures in brackets indicate deductions.

The accounting policies and notes on pages 62 to 66 form an integral part of these financial statements.

Colombo
25th May 2023

STATEMENT OF FINANCIAL POSITION

	Note	As at 31.12.2022 Rs.	As at 31.12.2021 Rs.
ASSETS			
Current assets			
Trade receivables		-	5,074,726
Other receivables	6	5,917,808	8,917,808
Income tax recoverable		4,202,947	-
Cash and cash equivalents	7	150,875,955	353,583,046
Total current assets		160,996,710	367,575,580
Total assets		160,996,710	367,575,580
EQUITY AND LIABILITIES			
Accumulated fund		157,562,175	366,246,300
Total equity		157,562,175	366,246,300
Non-current liabilities			
Current liabilities			
Other payables		88,725	42,250
Bank overdraft	8	3,345,810	1,287,030
Total current liabilities		3,434,535	1,329,280
Total liabilities		3,434,535	1,329,280
Total equity and liabilities		160,996,710	367,575,580

Figures in brackets indicate deductions.

The accounting policies and notes on pages 62 to 66 form an integral part of these financial statements.

These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards.



Mr. Ruwan S. Karunaratne
Director - Finance

The Commission of the Fund is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Commission of the Fund.



Mr. Reyaz Mihular
Commissioner



Mr. Saliya Wickramasuriya
Commissioner

Colombo
25th May 2023

STATEMENT OF CHANGES IN ACCUMULATED FUND

Description	Accumulated fund Rs.	Total Rs.
Balance at the beginning of the period	-	-
Initial contribution	400,000,000	400,000,000
Surplus for the period	415,017,884	415,017,884
Settlement of initial contribution	(400,000,000)	(400,000,000)
Fund transferred to the Commission	(48,771,584)	(48,771,584)
Balance as at 31st December 2021	366,246,300	366,246,300
Surplus for the year	36,729,092	36,729,092
Fund transferred to the Commission	(245,413,217)	(245,413,217)
Balance as at 31st December 2022	157,562,175	157,562,175

Figures in brackets indicate deductions.

The accounting policies and notes on pages 62 to 66 form an integral part of these financial statements.

Colombo
25th May 2023

STATEMENT OF CASH FLOWS

	For the year ended 31st December 2022 Rs.	Period from 27th May 2021 to 31st December 2021 Rs.
Cash flows from commission activities		
Surplus for the period	36,729,092	415,017,884
Adjustments for:		
Interest income on fixed deposits	(37,190,824)	(10,007,017)
Operating surplus/(deficit) before working capital changes	(461,732)	405,010,867
Decrease/(increase) in trade receivables	5,074,726	(5,074,726)
Increase in other payables	46,475	42,250
Cash generated from operations	4,659,469	399,978,391
Interest income received	40,190,824	1,089,209
Income tax paid	(4,202,947)	-
Cash transferred for the Commission activities	(245,413,217)	(48,771,584)
Net cash from/(used in) operating activities	(204,765,871)	352,296,016
Cash flow from financing activities	-	-
Net cash from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(204,765,871)	352,296,016
Cash and cash equivalents at the beginning of the year (Note A)	352,296,016	-
Cash and cash equivalents at the end of the year (Note B)	147,530,145	352,296,016
Cash and cash equivalents at the beginning of the year		Note A
Fixed deposits	350,000,000	-
Cash at bank	3,583,046	-
Bank overdraft	(1,287,030)	-
	352,296,016	-
Cash and cash equivalents at the end of the year		Note B
Fixed deposits	150,000,000	350,000,000
Cash at bank	875,955	3,583,046
Bank overdraft	(3,345,810)	(1,287,030)
	147,530,145	352,296,016

Figures in brackets indicate deductions.

The accounting policies and notes on pages 62 to 66 form an integral part of these financial statements.

Colombo
25th May 2023

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Colombo Port City Economic Commission Fund ("the Fund") is a fund established under Section 23 of the Colombo Port City Economic Commission Act No. 11 of 2021 ("the Act") and domiciled in Sri Lanka. The registered office of the Fund and principal place of operations are situated at Unit 901, One Galle Face Tower, 1A, Centre Road, Colombo 02.

1.2 Principal activities and nature of operations

During the period, the principal activities of the Fund were generating funds through facilitation fees, funding of the Commission for its operational activities and investing excess funds as permitted by the Act.

1.3 Date of authorisation for issue

The financial statements of the Fund for the year ended 31st December 2022 were authorised for issue by the Commission on 25th May 2023.

1.4 Responsibility for financial statements

The Commission is responsible for the preparation and presentation of the financial statements of the Fund as per the provisions of the Colombo Port City Economic Commission Act No. 11 of 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General accounting policies

2.1.1 Statement of compliance

The financial statements which comprise the statement of financial position, statement of income and

expenditure, statement of changes in accumulated fund and statement of cash flows, together with significant accounting policies and notes ("financial statements") of the Fund as at 31st December 2022 and for the year then ended, have been prepared and presented in accordance with Sri Lanka Accounting Standards.

2.1.2 Basis of measurement

The financial statements of the Fund have been prepared under the historical cost convention.

2.1.3 Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which it operates (the functional currency). These financial statements are presented in Sri Lankan Rupees, the Fund's functional and presentation currency. There was no change in the Fund's presentation and functional currency during the period under review.

2.1.4 Materiality and aggregation

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

Assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to settle on a net basis or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of income and

expenditure unless it is required or permitted as specifically disclosed in the accounting policies.

2.1.5 Significant accounting judgments, estimates and assumptions

a) Judgments

In the process of applying the accounting policies, the Commission has made judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of financial position, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, have been considered.

2.1.6 Going concern

In preparing these financial statements, based on available information, the Commission has assessed the appropriateness of the use of the going concern basis. The Commission is satisfied that the Fund has adequate resources to continue the business affairs to a foreseeable future and justifies the adoption of the going concern basis in preparing these financial statements as empowered by Colombo Port City Economic Commission Act No. 11 of 2021.

2.1.7 Foreign currency transactions

All foreign exchange transactions are converted into the functional currency at the rates of exchange prevailing at the time the transactions were effected.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Sri Lankan Rupees using the period end spot exchange rates and the resulting gains or losses are accounted in the statement of income and expenditure.

Non-monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates that existed when the values were determined. The resulting gain or loss is accounted in the statement of income and expenditure.

2.2 Assets, liabilities and bases of their valuation

2.2.1 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Other receivables are recognised at the amounts they are estimated to realize net of allowance for impairment. The amount of the allowance is recognised in the statement of income and expenditure.

2.2.2 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand and cash at bank which are highly liquid investments and readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cash at bank and highly liquid interest-bearing securities of three months or less and net of outstanding bank overdrafts.

The cash flow statement is reported based on the indirect method.

2.3 Liabilities and provisions

2.3.1. Other payables

Other payables are obligations to pay for services that have been acquired in the ordinary course of business. These are classified as current liabilities where payment is due within one year or less, if not, they are presented as non-current liabilities.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at original invoiced amount since the effect of discounting is immaterial.

2.3.2. Income tax

The Colombo Port City is a Special Economic Zone (SEZ) identified by the Colombo Port City Economic Commission Act No. 11 of 2021 ("the Act") and will have a significant impact on the national economy in terms of foreign direct investments, employment generation, government revenue, gross domestic product contribution and balance of payment. In order to attract quality primary and secondary investors into this SEZ, the Act provides 13 enactments from, or under, which exemptions or incentives may be

granted and 7 enactments which shall have no application within the area of authority of the Colombo Port City.

As per Section 23 (2) (c) of the Act, all sums of money received from any lease of Government Marketable Land and Project Company Marketable Land situated within the Area of Authority of the Colombo Port City, should be credited to the Colombo Port City Economic Commission Fund ("Fund") and should be remitted to the consolidated fund, as stipulated in Section 23 to the Act, simultaneous to the execution of the respective indentures of the lease, after deducting expenditure as allowed in the Act. Further, as per Section 23 (2) (d) all sums of money may be received by the Fund by way of local assessment rates and any other levies imposed by the Commission at such rates as prescribed within the Area of Authority of the Colombo Port City, which sums shall be credited to the Consolidated Fund on a quarterly basis and will form part of the Government Revenue.

Therefore, the Fund is maintained on behalf of the Government as the custodian to collect all the sums of money received and receivable in providing investment facilitator services as permitted in the Act and the Commission is allowed to draw funds from the Commission Fund only to defray expenses.

In line with the above, the Fund is of the view that the Colombo Port City Economic Commission Fund is not liable to pay income tax.

Notes to the Financial Statements

2.3.3. Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.3.4. Commitments

All material commitments as at the reporting date have been identified and disclosed in the notes to the financial statements.

2.4. Statement of income and expenditure

2.4.1. Income recognition

2.4.1.1. Facilitation fee

In terms of Section 23(2)(b) of the Act, the Fund is entitled to receive from the Project Company a sum of money equivalent to one per centum (1%) from all sums received from any lease of the project land from the date of commencement of this Act and ending on 30th June 2028.

Facilitation fee is recognised on an accrual basis.

2.4.1.2. Interest income

Interest income and expense are recognised in surplus or deficit using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

2.4.1.3. Other income

Other income is recognised on an accrual basis.

2.4.2. Expenditure

- a) The expenditure is recognised on an accrual basis. All expenses incurred in the ordinary course of business and in maintaining property, plant and equipment in a state of efficiency have been charged against the income in arriving at the result for the period.
- b) Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent where borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets which are the assets that necessarily take a substantial period of time to get ready for their intended purpose and are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

- c) For the presentation of the statement of income and expenditure, the Commission is of the opinion that the function of the expense method presents fairly the element of the Fund's performance, and hence, this presentation method is adopted.

2.5. Events after the reporting period

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.

	For the year ended 31st December 2022 Rs.	Period from 27th May 2021 to 31st December 2021 Rs.
3. REVENUE		
Facilitation fee	-	405,074,726
	-	405,074,726
4. OTHER INCOME		
Interest income on fixed deposits	37,190,824	10,007,017
	37,190,824	10,007,017
5. ADMINISTRATION AND OTHER EXPENSES		
Bank charges	413,757	17,215
Interest on bank overdraft	1,500	4,394
Audit fee	46,475	42,250
	461,732	63,859
	As at 31.12.2022 Rs.	As at 31.12.2021 Rs.
6. OTHER RECEIVABLES		
Interest receivable on fixed deposits	5,917,808	8,917,808
	5,917,808	8,917,808
7. CASH AND CASH EQUIVALENTS		
Fixed deposits	150,000,000	350,000,000
Cash at bank	875,955	3,583,046
	150,875,955	353,583,046
8. BANK OVERDRAFT		
Bank of Ceylon - C/A - 87611470	3,345,810	1,287,030
	3,345,810	1,287,030

9. CONTRACTUAL COMMITMENTS

9.1 Financial commitments

There were no material financial commitments as at the reporting date.

Notes to the Financial Statements

9.2 Capital commitments

There were no material capital commitments as at the reporting date.

10. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent assets or contingent liabilities as at the reporting date.

11. EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which would require adjustments to, or disclosure in, the financial statements.

12. COMPARATIVE INFORMATION

Comparative figures have been re-classified where necessary in line with the presentation requirement for the current year.

12.1 Re-classification

	As stated in 31.12.2021 Rs.	As re-classified in 31.12.2022 Rs.	Adjustment Rs.
Statement of financial position			
Current assets			
Trade and other receivables	13,992,534	-	13,992,534
Trade receivables	-	5,074,726	(5,074,726)
Other receivables	-	8,917,808	(8,917,808)
	13,992,534	13,992,534	-

Trade receivables and interest receivable on fixed deposits which were classified under trade and other receivables have been re-classified under trade receivables and other receivables respectively for better presentation.

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