CL SYNERGY (PVT) LTD

FINANCIAL STATEMENTS

31 MARCH 2021

EY
Building a better working world

Ernst & Young
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CL SYNERGY (PVT) LTD

Report on the Financial Statements

Opinion

We have audited the financial statements of CL Synergy (Pvt) Ltd, which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

Ernst & Young

4 November 2021
Colombo

CL Synergy (Pvt) Ltd

STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

ASSETS	Note	2021 Rs.	2020 Rs.
Non-Current Assets			
Property, Plant and Equipment	6	34,985,073	28,287,972
Financial Assets at Fair Value through Other Comprehensive Income	7.1	12,412,495	12,142,637
Intangible Assets	8	957,971	697,103
Right-of-Use-Asset	9	91,417,403	41,789,277
Deferred Tax Assets	15.3	5,618,283	4,610,876
		145,391,226	87,527,864
Current Assets			
Trade and Other Receivables	10	1,215,148,053	1,040,014,801
Financial Assets at Amortised Cost	7.2	142,027,399	142,650,923
Cash and Cash Equivalents	16	93,091,018	144,497,739
		1,450,266,471	1,327,163,463
Total Assets		1,595,657,697	1,414,691,327
EQUITY AND LIABILITIES			
Stated Capital	11	50,000,000	50,000,000
Fair Value through Other Comprehensive Income Reserve		725,020	455,162
Cash flow Hedge Reserve		(8,439,476)	(10,730,307)
Retained Earnings		171,371,830	108,307,333
Total Equity		213,657,373	148,032,188
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	12	218,506,294	67,976,347
Employee Benefit Liability	13	26,257,072	23,650,347
		244,763,365	91,626,695
Current Liabilities			
Trade and Other Payables	14	613,811,803	614,571,791
Interest Bearing Loans and Borrowings	12	517,723,695	560,058,871
Income Tax Payable		5,701,460	401,782
		1,137,236,958	1,175,032,444
Total Equity and Liabilities		1,595,657,697	1,414,691,327

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

....
Financial Officer

The Board of Directors are responsible for these Financial Statements. Signed for and on behalf of the Board by:

....
Director

....
Director

The accounting policies and notes on pages 07 through 38 form an integral part of the Financial Statements.

4 November 2021
Colombo

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CL Synergy (Pvt) Ltd

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2021

	Note	2021 Rs.	2020 Rs.
Revenue	3	3,474,357,409	3,271,649,487
Cost of Sales		(3,073,755,502)	(2,911,879,085)
Gross Profit		400,601,908	359,770,402
Other Operating Income	4	29,889,229	46,715,611
Administrative Expenses		(243,480,417)	(251,687,529)
Selling and Distribution Expenses		(62,681,004)	(71,109,686)
Operating Profit		124,329,716	83,688,798
Finance Income	5.1	16,260,820	32,586,927
Finance Cost	5.2	(67,274,852)	(95,785,930)
Profit Before Tax	17	73,315,684	20,489,795
Income Tax Expense	15	(9,761,430)	(1,135,594)
Profit for the Year		63,554,254	19,354,201
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods			
Acturial Gain		804,383	1,915,104
Defferred Tax Effect on Acturial Gain and Cashflow hedging		(1,294,140)	(1,770,358)
Gain on Fair Value through Other Comprehensive Income Investments		269,858	1,255,287
Net Movement in Hedging Reserve		2,290,831	(10,730,307)
		2,070,931	(9,330,273)
Other Comprehensive Income for the Year Net of Tax		2,070,931	(9,330,273)
Total Comprehensive Income for the Year Net of Tax		65,625,185	10,023,927

The accounting policies and notes on pages 07 through 38 form an integral part of the Financial Statements.

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CL Synergy (Pvt) Ltd

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2021

	Stated Capital	Available for Sale Reserve	Cashflow Hedge Reserve	Fair Value through Other Comprehensive Income Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31 March 2019	50,000,000	-	-	(800,125)	88,808,385	138,008,260
Profit for the Year	-	-	-	-	19,354,201	19,354,201
Other Comprehensive Income	-	-	(10,730,307)	1,255,287	144,746	(9,330,273)
Balance as at 31 March 2020	50,000,000	-	(10,730,307)	455,162	108,307,333	148,032,188
Profit for the Year	-	-	-	-	63,554,254	63,554,254
Other Comprehensive Income	-	-	2,290,831	269,858	(489,757)	2,070,931
Balance as at 31 March 2021	**50,000,000**	**-**	**(8,439,476)**	**725,020**	**171,371,830**	**213,657,373**

The accounting policies and notes on pages 07 through 38 form an integral part of the Financial Statements.

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CL Synergy (Pvt) Ltd

STATEMENT OF CASH FLOWS

Year ended 31 March 2021

	Note	2021 Rs.	2020 Rs.
Cash Flows from Operating Activities			
Profit Before Tax		73,315,684	20,489,795
Adjustments for			
Depreciation	6	6,269,678	7,618,968
Amortization	8	441,131	879,146
Interest Income	5.1	(16,260,820)	(32,586,927)
(Profit)/Loss on Disposal of Assets		(80,447)	(49,532)
(Profit)/Loss on Investment in shares (Unquoted)	5		
Reversal of Lease Creditor net of Right of Use Asset	4	(4,058,150)	
Dividend Received	4	(10,690)	(8,159)
Provision for Employee Benefit Liability	13	5,137,568	6,822,163
Doubtful Debt Provision		14,274,128	6,030,699
Exchange (Gain)/loss		14,687,223	
Loss on Disposal of Shares		-	103,050
Amortization of Right of Use Asset		18,573,012	18,573,012
Finance Cost	5.2	67,274,852	95,785,930
Operating Profit Before Working Capital Changes		179,563,169	123,658,146
(Increase)/Decrease in Trade and Other Receivables		(175,133,252)	(150,188,662)
Increase/(Decrease) in Trade and Other Payables		(759,988)	127,230,120
Cash Generated from Operations		3,669,929	100,699,603
Finance Cost Paid	5.2	(71,973,577)	(89,188,376)
Income Tax Paid		(6,503,800)	(187,966)
Witholding Tax Paid		-	-
ESC Paid		-	(3,159,470)
Employee Benefit Liability Paid	13	(1,595,000)	(1,528,750)
Net Cash from Operating Activities		(76,402,448)	6,635,041
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment	6	(12,974,854)	(11,622,233)
Acquisition of Intangible Assets	8	(702,000)	(181,490)
Proceeds from Sale of Property, Plant and Equipment		88,520	253,995
Investment in Shares (Unquoted)		-	-
Proceeds from Sale of Quoted Shares		-	206,203
Investment made on Fixed Deposits	7	623,523	(29,964,691)
Dividend Income	4	10,690	8,159
Interest Income	5.1	16,260,820	32,586,927
Net Cash used in Investing Activities		3,306,700	(8,713,130)
Cash Flows from Financing Activities			
Proceeds from Interest Bearing Loans and Borrowings	12.1	352,502,907	269,300,027
Repayment of Interst Bearing Loans and Borrowings	12.1	(237,767,826)	(240,301,785)
Finance Lease Obtained during the year	12.2	-	1,273,464
Repayment on Finance Lease	12.2	(389,114)	(353,740)
Repayment on Lease Creditor		(21,971,476)	(21,796,430)
Dividends Paid		-	-
		92,374,491	8,121,536
Net Increase/(Decrease) in Cash and Cash Equivalents		19,278,743	6,043,446
Cash and Cash Equivalents at the Beginning of the Year	16	(273,703,263)	(279,746,709)
Cash and Cash Equivalents at the End of the Year	16	(254,424,520)	(273,703,263)

The accounting policies and notes on pages 07 through 38 form an integral part of the Financial Statements.

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1. CORPORATE INFORMATION

1.1 General

CL Synergy (Pvt) Ltd a limited liability company incorporated and domiciled in Sri Lanka. The registered office and the principal place of business are situated at 6th Floor, No.30, Iceland Business Centre, R.A. De Mel Mawatha, Colombo 03.

1.2 Principal Activities and Nature of Operations

During the year, the principal activity of the Company is acting as a Freight Forwarder.

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent, undertaking and controlling party is CL Synergy Holdings (Pvt.) Ltd, which is incorporated in Sri Lanka.

1.4 Financial Period and Date of Authorization for Issue

The Financial Statements of CL Synergy (Pvt) Ltd for the year ended 31 March 2021 were authorized for issue in accordance with a resolution of the board of directors on 4 November 2021.

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2. SIGNIFICANT ACCOUNTING POLICIES

2.1 General Accounting Policies

2.1.1 Basis of Preparation

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

2.1.2 Basis of Measurement

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

- Financial instruments reflected as fair value through profit or loss which are measured at fair value.
- Financial instruments designated as available-for-sale financial assets which are measured at fair value.

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

2.1.3 Statement of compliance

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

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTION

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

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

a) Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease the operation.

Due to the significant uncertainty arising from the COVID-19 pandemic, the management evaluated the resilience of its business considering a wide range of factors, relating to expected revenue streams, cost management, profitability management of capital expenditure, debt repayment, cash reserves and sources of financing facilities, to be able to continue business under current global economic conditions.

Having presented the outlook and after due consideration of the range and likelihood of outcomes, the Directors are satisfied that the Company, has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting theses financial statements.

b) Employee Benefit Liability:

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1 Foreign Currency Translation

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

2.3.2 Taxation

a) Current Taxes

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

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

Deferred Taxation

Deferred tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

b) Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognised as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the Statement of the Financial Position.

2.3.3 Revenue Recognition

SLFRS 15 “Revenue from Contracts with Customers” outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within SLFRS. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Sale of Goods

The performance obligation of the Company towards its customers is to assisting them in arranging for the import or export of the customer’s goods (including all necessary activities, such as domestic transport, storage, packing, customs clearance and arranging shipping services).

The Company generates its revenues from four principal services: 1) Seafreight, 2) Airfreight, 3) Clearance, and 4) Cross Trade. Revenues reported in each of these reportable segments include revenues generated from the principal service as well as revenues generated from ancilliary services like customs clearance, export documentation, import documentation, door-to-door service, and arrangement of complex logistics supply movement, that are incidental to the principal service.

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In Seafreight, Airfreight and Cross Trade the Company generates the majority of its revenues by purchasing transportation services from direct (asset-based) carriers and selling a combination of those services to its customers. in its capacity of arranging carrier services, the Company issues a contract of carriage to customers. Revenues related to shipments are recognised based upon the terms in the contract of carriage and to the extent a service is completed. The Company measures the fulfilment of its performance obligations as services are rendered based on the status of a shipment.

The changes to the revenue recognition point and the measurement bases are occurred due to the adoption of SLFRS 15 is disclosed in Note 23-Transition Disclosure

b) Interest Income

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

Interest Income is recognised as the interest accrued unless collectability is in doubt. Interest income is included in finance income in the consolidated statement of profit or loss.

c) Rent Income

Rent income arising from operating leases is accounted for on a straight-line basis over the lease term.

d) Dividends

Revenue is recognized when the company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

e) Others

Other income is recognized on an accrual basis.

Net Gains and losses on the disposal of property, plant & equipment have been accounted for in the Statement of Profit or Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

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

Borrowing Costs

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

The interest capitalized is calculated using Company’s weighted average cost of borrowing after adjusting for borrowings associated with specific developments where, borrowings are associated with specific developments. Where borrowings are associated with developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investments. Interest is capitalized as from the commencement of the development work until date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for development, but only where activities necessary to prepare the asset for redevelopments are in progress.

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2.3.4 Financial Instruments - Initial Recognition and Subsequent Measurement

2.3.4.1 Financial Assets

2.3.4.1 Initial Recognition and Measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Note 2.3.3. Revenue from contracts with customers.

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

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

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

2.3.4.2 Subsequent measurement

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

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

2.3.4.3 Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

The Company's financial assets at amortised cost includes trade receivables and loans to/from directors included under other non-current financial assets.

2.3.4.4 Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by- instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

2.3.4.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

The rights to receive cash flows from the asset have expired

Or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

The Financial Assets include cash and short-term deposits, trade and other receivables and other financial assets.

2.3.4.2 Impairment of Financial Assets

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

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

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

a) Financial Assets Carried at Amortised Cost

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows are discounted at the financial asset’s original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

2.3.4.3 Financial Liabilities

The Company’s financial liabilities include trade and other payables.

Initial Recognition and Measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

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All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs.

Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by LKAS 39. Separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held-for-trading are recognized in the income statement.

The Company has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

2.3.4.4 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.3.4.5 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 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.

2.3.4.6 Cash Flow Hedges

For designated and qualify cashflow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognized directly in equity in the “Cash flow hedge reserve”. The infinite portion of the gain or losses on the hedge instrument is recognized immediately in the income statement.

When the hedge cashflow affect the income statement, the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the income statement. When the hedging instrument expires, or is sold, terminated, exercised or when a hedge no longer meet the criteria for hedge accounting, any cumulative gains/losses existing in other comprehensive income at that time remains in other comprehensive income and is recognized when the hedge forecast transaction ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur the Cumulative gain/loss was reported in other comprehensive income is immediately transferred the income statement.

2.3.5 Cash and Short Term Deposits

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.3.6 Property, Plant and Equipment

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

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

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

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

2.3.7 Intangible Assets

(a) Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life of 4 years. Costs associated with maintaining computer software programs are recognized as an expense as incurred.

2.3.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

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2.3.11 Retirement Benefit Obligations

a) Defined Benefit Plan - Gratuity

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

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

The liability is not externally funded.

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

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

2.3.12 Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

The Management of the Company determines the policies and procedures for both recurring fair value measurement, such as Properties.

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2.3.13 Right-of Use-Asset and Leases

Policy effective from 1 April 2019

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

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

The Company only reassesses whether a contract is, or contains, a lease subsequent to initial recognition if the terms and conditions of the contract are changed.

Right-of-Use-Assets

The Company recognises Right of Use Assets at the commencement date of the lease, when the underlying asset is available for use. 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. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised Right of Use Assets are depreciated on a straight line basis over the shorter of its estimated useful life or the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, amortisation is calculated using the estimated useful life of the asset Right of Use Assets are subject to impairment.

Lease Liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans and borrowings.

Short-term Leases and Leases of Low-value Assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight line basis over the lease term.

The Company does not foresee any impairment of right of use assets due to the COVID-19 pandemic since the demand for products and services has recovered relatively quickly. Further Company does not anticipate discontinuation of any Right of Use Assets as at the reporting date and the lease liability is not reassessed as there are no known moratoriums received for the lease payments so far.

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Policy effective before 1 April 2019

Leased Assets

The determination of whether an arrangement is or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit or Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

2.4 IMPENDING ACCOUNTINGS STANDARDS / STANDARDS ISSUED NOT YET EFFECTIVE

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below.

Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 – Interest Rate Benchmark Reform
The amendments to SLFRS 9 & LKAS 39 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The amendments to SLFRS 9 & LKAS 39 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments to various standards are effective for the annual reporting periods beginning on or after 01 January 2021.

Amendments to SLFRS 16 - COVID – 19 Related Rent Concessions

The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 Pandemic.

As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from Covid-19 related rent concession the same way it would account for the change under SLFRS16,if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 01 June 2021.

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Amendments to SLFRS 3 – Conceptual Framework

The amendments update SLFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to SLFRS 3 a requirement that, for obligations within the scope of LKAS 37, an acquirer applies LKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to LKAS 16

In March 2021, the ICASL adopted amendments to LKAS16-Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to LKAS 37

In March 2021, the ICASL adopted amendments to LKAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract**.**

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments

Amendments to LKAS 1: Classification of Liabilities as Current or Non-current

In March 2021, ICASL adopted amendments to paragraphs 69 to 76 of LKAS 1 which specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

None of the new or amended pronouncements are expected to have a material impact on the consolidated financial statements of the Company / financial statements of the company in the foreseeable future.

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3. REVENUE

		2021 Rs.	2020 Rs.
Air Freight	-Exports	127,733,633	143,031,113
	-Imports	698,843,357	1,056,955,033
Sea Freight	-Exports	1,340,036,306	1,224,476,489
	-Imports	1,009,920,562	578,366,325
Clearance and Other Forwarding Income		199,788,262	195,278,075
Cross Trade Income		36,005,444	51,451,397
Other Freight Income		62,029,846	22,091,055
		3,474,357,409	3,271,649,487

4. OTHER OPERATING INCOME

	2021 Rs.	2020 Rs.
Dividend Income	10,690	8,159
Profit on Disposal of Property, Plant and Equipment	80,447	49,532
Management Fee	25,600,981	46,656,177
Sundry Income	138,961	1,744
Reversal of Lease Creditor net of Right of Use Asset	4,058,150	-
	29,889,229	46,715,611

5. FINANCE INCOME / COST

5.1 Finance Income

	2021 Rs.	2020 Rs.
Interest Income on Savings Deposits	1,505,937	2,512,915
Interest Income on Fixed Deposits	9,548,681	14,131,523
Interest Income on Intercompany Current Account Balances	5,206,202	15,942,489
	16,260,820	32,586,927

5.2 Finance Cost

	2021 Rs.	2020 Rs.
Interest Expense on Loans and Borrowings	24,297,322	24,040,385
Interest Expense on Overdrafts	31,127,086	54,939,684
Interest Expense on Intercompany Current Account Balances	25,272	1,930,664
Bank Charges	7,160,323	6,974,555
Interest Expense on Director Loan	-	1,198,643
Interest Expense on Finance Leases	86,613	104,445
Interst Expense on Lease Creditor	4,578,235	6,597,554
	67,274,852	95,785,930

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6. PROPERTY, PLANT AND EQUIPMENT

6.1 Gross Carrying Amounts	Balance as at 01.04.2020 Rs.	Additions During the Year Rs.	Disposals Rs.	Balance as at 31.03.2021 Rs.
At cost				
Furniture and Fittings	18,448,549	682,201	-	19,011,924
Office Equipment	21,596,361	2,741,399	(51,500)	24,286,260
Computer Equipment	21,221,038	2,061,498	(48,000)	23,234,536
Motor Vehicles	5,576,206	-	-	5,576,206
Gross Carrying Amount	66,842,154	5,485,098	(99,500)	72,108,926
Capital Work in Progress				
Apartment	14,630,349	7,489,756	-	22,120,105
	14,630,349	7,489,756	-	22,120,105
Total Cost of Assets	81,472,503	12,974,854	(99,500)	94,229,031

6.2 Depreciation	Balance as at 01.04.2020 Rs.	Charge for the Year Rs.	Disposals Rs.	Balance as at 31.03.2021 Rs.
At cost				
Furniture and Fittings	14,305,156	1,511,556	-	15,697,886
Office Equipment	17,344,955	2,265,370	(50,427)	19,559,898
Computer Equipment	17,289,700	2,048,607	(41,000)	19,297,307
Motor Vehicles	4,244,720	444,146	-	4,688,866
Total Depreciation	53,184,531	6,269,678	(91,427)	59,243,957

6.3 Net Book Values

At cost	2021 Rs.	2020 Rs.
Furniture and Fittings	3,314,038	4,143,393
Office Equipment	4,726,362	4,251,406
Computer Equipment	3,937,229	3,931,338
Motor Vehicles	887,340	1,331,486
Capital Work in Progress	22,120,105	14,630,349
Total Carrying Amount of Property Plant & Equipment	34,985,073	28,287,972

6.4 The useful lives of the assets are estimated as follows:	2021	2020
Furniture and Fittings	4 Years	4 Years
Office Equipment	4 Years	4 Years
Computer Equipment	4 Years	4 Years
Motor Cycles	4 Years	4 Years

6.5 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 12,974,853.76/- (2020 - Rs. 11,622,233/-), Cash payments amounting to Rs. 12,974,853.76/- (2020 - Rs. 11,622,233/-) were made during the year for purchase of Property, Plant and Equipment.

6.6 The Cost of fully depreciated Assets which are still in use are as follows:	2021 Rs.	2020 Rs.
Furniture and Fittings	13,746,018	12,564,591
Office Equipment	15,823,281	13,404,204
Computer Equipment	15,962,737	12,871,541
Motor Cycles	3,817,956	5,136,232
System Development	6,450,853	4,827,309
	55,800,846	48,803,877

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7. OTHER FINANCIAL ASSETS

		2021 Rs.	2020 Rs.
7.1	**Financial Assets at Fair Value through Other Comprehensive Income**		
	Quoted Equity Shares (Note 7.3)	800,895	531,037
	Non Quoted Equity Shares (Note 7.4)	11,611,600	11,611,600
		12,412,495	12,142,637
7.2	**Financial Assets at Amortised Cost**		
	Fixed Deposits	142,027,399	142,650,923
	Total Other Current Financial Assets	142,027,399	142,650,923

7.3 Financial Assets at Fair Value through Other Comprehensive Income - Quoted Equity Shares

	2021 No. of Shares	2020 No. of Shares	2021 Rs.	2020 Rs.
Lanka IOC PLC	1,000	1,000	19,000	15,800
Laxapana Batteries PLC	1,000	1,000	13,900	8,900
Lanka Milk Foods (CWE) PLC	1,900	1,900	285,475	140,600
Nations Trust Bank PLC	2,095	2,095	115,854	132,404
Anilana Hotels And Properties PLC	333,333	333,333	366,666	233,333
			800,895	531,037

7.4 Financial Assets at Fair Value through other Comprehensive Income - Non Quoted Equity Shares

	2021 No. of Shares	2020 No. of Shares	2021 Rs.	2020 Rs.
20 Cube Consortium (Pvt) Ltd	220,000	220,000	11,611,600	11,611,600
			11,611,600	11,611,600

7.5 Fair Values

The fair values of the financial assets and liabilities are assessed at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. There is no difference between carrying amounts and fair values of the Group's and Company's financial assets and liabilities.

The following methods were used to estimate the fair values.

A. Long-term receivables/borrowings are evaluated by the Company based on
B. Cash and short-term deposits, trade receivables, trade payables and other current
C. Fair values of the unquoted ordinary shares have been estimated using net assets
D. Fair values of of remaining available for sale financial assets are derived from

7.6 Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Fair value are determined according to the following hierarchy.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Other valuation techniques for which all inputs which have a significant effect on
Level 3: Valuation techniques which use inputs that have a significant effect on the

As at 31 March 2020, the Company held the following financial instruments carried at fair value on the statement of financial position.

Assets Measured at Fair Value	2021 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial Assets at Fair Value through Other Comprehensive Income				
Quoted Equity Shares	800,895	800,895	-	-
Unquoted Equity Shares	11,611,600	-	-	11,611,600
	12,412,495	800,895	-	11,611,600

During the reporting period ending 31 March 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

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8. INTANGIBLE ASSETS

	2021 Rs.	2020 Rs.
Computer Software - Cost		
Balance at the Beginning of the Year	7,330,744	8,133,176
Addition during the Year	702,000	181,490
Disposal during the Year	-	(983,922)
Balance at the End of the Year	8,032,744	7,330,744
Computer Software - Amotization		
Balance at the Beginning of the Year	6,633,641	6,692,450
Charge for the year	441,131	879,146
Disposal during the Year	-	(937,954)
Balance at the End of the Year	7,074,773	6,633,641
Net Book Value	957,971	697,103

8.1 During the financial year, the Company acquired Intangible assets to the aggregate value of Rs. 702,000/- (2020 - Rs 181,490/-), Cash payments amounting to Rs. 702,000/- (2020 - Rs 181,490/-) were made during the year for purchase of Intangible assets.

9. RIGHT-OF-USE OF LEASED ASSETS AND RELATED LEASE LIABILITIES

9.1 Right-of-use of Leased Assets

	2021 Rs.	2020 Rs.
Cost		
As at 1 April 2020	60,362,289	-
Adjustment to the opening balance	(18,573,012)	
Effect of Adoption of SLFRS 16	-	60,362,289
Additions	86,774,150	
As at 31 March 2021	128,563,427	60,362,289
Depreciation		
As at 1 April 2020	18,573,012	-
Depreciation during the Period	18,573,012	18,573,012
As at 31 March 2021	37,146,024	18,573,012
Carryiung Value As at 31 March 2021	91,417,403	41,789,277

9.2 Related Lease Liabilities

	2021 Rs.	2020 Rs.
As at 1 April 2020	44,663,822	-
Adjustment to the opening balance	(22,631,162)	
Additions	86,774,150	
Effect of Adoption of SLFRS 16	-	59,862,698
Accretion of interest	4,578,235	6,597,554
Payments	(21,971,476)	(21,796,430)
As at 31 March 2021	91,413,569	44,663,822

	2021 Rs.	2020 Rs.
Current	22,025,921	17,393,241
Non- Current	69,387,648	27,270,581

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9. RIGHT-OF-USE OF LEASED ASSETS AND RELATED LEASE LIABILITIES (Contd….)

9.3 Amounts recognised in Profit or Loss:

	2021 Rs.	2020 Rs.
Depreciation expense of Right-of-Use Assets	18,573,012	18,573,012
Interest expense on lease liabilities	4,578,235	6,597,554
Total amount recognised in Profit or Loss	23,151,247	25,170,566

10. TRADE AND OTHER RECEIVABLES

	2021 Rs.	2020 Rs.
Trade Receivables - Related Party (Note 10.1)	19,427,376	107,104,212
Trade Receivables - Other	841,009,532	693,203,484
Less : Provision for Impairments (Note.10.4)	(24,307,303)	(21,136,680)
	836,129,605	779,171,016
Other Receivables - Related Party (Note 10.2)	337,248,184	212,641,986
- Other	17,332,685	23,864,297
Deposits and Pre-payment	15,143,376	13,538,788
Staff Loan (Note 10.3)	9,294,204	10,798,714
	1,215,148,053	1,040,014,801

Trade receivables are non-interest bearing.

As at 31 March, the ageing analysis of trade receivables is as follows:

		Neither past nor impaired			Past Due and not Impaired	
	Total Rs.	0-30 Days Rs.	31-60 Days Rs.	61-120 Days Rs.	121-180 Days Rs.	> 180 Days Rs.
2021	860,436,908	352,131,495	243,078,976	161,872,362	23,983,023	79,371,051
2020	800,307,696	158,567,996	179,673,109	180,355,974	24,167,196	257,543,421

Refer Note 22 on credit risk of trade receivables, which discusses how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

10.1 Trade Receivable from Related Parties

	Relationship	2021 Rs.	2020 Rs.
Eagle Logistics Colombo (Pvt) Ltd	Affiliate	28,213	110,251
CL Synergy India (Pvt) Ltd	Affiliate	10,934,827	2,733,356
ASB Freight (Pvt) Ltd	Affiliate	9,181	1,052,358
20 Cube Logistics (Pvt) Ltd	Affiliate	80,930	-
Latex Green (Pvt)Ltd	Affiliate	-	33,177,809
CLS Transport (Pvt.) Ltd	Affiliate	8,030,625	69,716,494
CL Synergy BD Ltd	Affiliate	-	313,944
Sytrans Global (Pvt) Ltd	Affiliate	343,600	-
		19,427,376	107,104,213

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10. TRADE AND OTHER RECEIVABLES (Contd...)

10.2 Other Receivable from Related Parties

	Relationship	2021 Rs.	2020 Rs.
CLS Holdings (Pvt) Ltd	Parent	25,154,177	-
CLS Investment (Pvt) Ltd	Affiliate	-	466,196
ASB Freight (Pvt) Ltd	Affiliate	7,728,920	2,426,917
CLS Transport (Pvt) Ltd	Affiliate	163,886,641	49,917,738
Eagle Logistics Colombo (Pvt) Ltd	Affiliate	1,033,402	778,235
CL Synergy Travels (Pvt) Ltd	Affiliate		12,964,526
Mr.R.A.A.R.Silva	Director	19,977,305	14,157,775
Mr.K.M.J.C.Udamulla	Director	15,692,408	15,138,448
CL Synergy Asia (Pvt.) Ltd	Affiliate	2,431,692	1,586,142
CL Synergy BD Ltd	Affiliate	1,244,964	645,281
Mrs. Shehani Kulathunga	Director	7,625	7,625
Eagle Global Express (Pvt.) Ltd	Affiliate	151,588	195,300
CL Synergy India (Pvt.) Ltd	Affiliate	99,849	217,162
CL Synergy Partners (Pvt) Ltd	Affiliate	23,940,130	25,317,893
CLS Technologies (pvt) Ltd	Affiliate	324,883	253,383
Virtrans Capital (Pvt) Ltd	Affiliate	62,631,788	74,965,316
Sytrans Global (Pvt) Ltd	Affiliate	385,235	1,799,638
Interglobe Freight Soluations (Pvt) Ltd	Affiliate	150,282	68,310
Synerg Leisure (Pvt) Ltd	Affiliate	669,196	-
CLS Transport	Affiliate	2,000	-
Immediate Family Members of the Key Management Personals of Entity			
Mrs. S.T. Silva	Director's Spouse	6,689,580	6,689,580
Mrs. R.L.I.K. Dias	Director's Spouse	5,046,520	5,046,520
		337,248,184	212,641,986

10.3 Staff Loan

	2021 Rs.	2020 Rs.
Balance as at the Beginning of the Year	10,798,714	12,556,489
Loans Granted During the Year	2,798,916	10,916,214
Less: Repayment Made during the Year	(4,303,428)	(12,673,989)
Balance as at the End of the Year	9,294,204	10,798,714

10.4 Provision for Impairments

	2021 Rs.	2020 Rs.
Balance as at the Beginning of the Year	21,136,680	14,515,297
Impact of adopting SLFRS 9 - "Financial Instruments"	-	-
During the Year Provision	14,274,129	6,621,383
Written off During the Year	(11,103,506)	-
Balance as at the End of the Year	24,307,303	21,136,680

11. STATED CAPITAL

Ordinary Shares	2021 Number	2021 Rs.	2020 Number	2020 Rs.
Balance as at 1st April	12,605,495	50,000,000	12,605,495	50,000,000
Balance as at 31st March	12,605,495	50,000,000	12,605,495	50,000,000

12. INTEREST BEARING LOANS AND BORROWINGS

	2021 Amount Repayable Within One Year Rs.	2021 Amount Repayable After One Year Rs.	2021 Total Rs.	2020 Amount Repayable Within One Year Rs.	2020 Amount Repayable After One Year Rs.	2020 Total Rs.
Bank Loans (Note 12.1)	130,062,187	149,049,060	279,111,248	124,126,454	40,249,712	164,376,167
Bank Overdrafts (Note 16.2)	365,213,741	-	365,213,741	418,201,000	-	418,201,000
Finance Lease (Note 12.2)	421,846	69,586	491,432	338,176	456,054	794,230
Lease Creditor (Note 9.3)	22,025,921	69,387,648	91,413,569	17,393,241	27,270,581	44,663,822
	517,723,695	218,506,294	736,229,989	560,058,871	67,976,347	628,035,218

12.1 Bank Loans

Bank Loans	Loan ID	As At 01.04.2020 Rs.	Loans Obtained Rs.	Capital Repayment Rs.	As At 31.03.2021 Rs.	Terms of Payment Rs.	Interest Rate
DFCC Bank PLC	0000124687/1	577,950	29,649	(607,599)	-	60 Months	AWPLR + 6%
DFCC Bank PLC	0000180920/1	9,333,312	-	(1,555,554)	7,777,758	48 Months	AWPLR + 3.5%
DFCC Bank PLC	000296326 /1	-	228,941	-	228,941	24 Months	6%
DFCC Bank PLC	000300759 / 1	-	1,925,800	-	1,925,800	24 Months	6%
DFCC Bank PLC	000304154 / 1	-	6,499,823	-	6,499,823	24 Months	6%
DFCC Bank PLC	000304155/1	-	7,547,012	-	7,547,012	24 Months	6%
DFCC Bank PLC	0000180920/2	-	609,624	(609,624)	-	-	-
DFCC Bank PLC	000272869/1	-	55,000,000	(40,729,128)	14,270,872	48 Months	AWPLR + 3.5%
DFCC Bank PLC	000272894/2	-	99,609,181	(2,500,000)	97,109,181	66 Months	AWPLR + 3.5%
HNB PLC	108040033433	23,020,740	-	(1,354,180)	21,666,560	48 Months	AWPLR + 2.5%
HNB PLC	108040038119	31,822,910	-	(1,354,180)	30,468,730	48 Months	AWPLR + 2.5%
HNB PLC	108040042839	-	3,639,441	(3,032,865)	606,576	6 Months	
HNB PLC	108040043494	-	3,412,188	(2,274,800)	1,137,388	3 Months	
HNB PLC	108040043892	-	25,266	-	25,266	1 Month	
HNB PLC	108040043908	-	49,696	-	49,696	1 Month	
UNION Bank PLC	664001000002171	-	13,000,000	(722,222)	12,277,778	24 Months	4%
UNION Bank PLC	664001000002180	-	25,000,000	(1,388,889)	23,611,111	24 Months	4%
NTB PLC	700220000062	-	12,000,000	(4,000,000)	8,000,000	24 Months	AWPLR + 2%
DFCC Bank PLC - STL		99,621,255	-	(99,621,255)	-	-	AWPLR + 3.5%
NTB STL 50MN		-	123,926,285	(78,017,531)	45,908,754	-	AWPLR + 2.5%
		164,376,167	352,502,907	(237,767,826)	279,111,248		

12.2 Finance Lease

Finance Lease	As At 01.04.2020 Rs.	Loans Obtained Rs.	Capital Repayment Rs.	As At 31.03.2021 Rs.
Peoples Leasing PLC - BNLEML1800036001	187,538		(79,343)	108,195
Peoples Leasing PLC - BNLEML1800036001	273,234		(115,599)	157,635
Peoples Leasing PLC -BNLEML1800036001	229,476		(97,086)	132,390
Peoples Leasing PLC -BNLEML1800036001	229,476		(97,086)	132,390
	919,724	-	(389,114)	530,610

	2020 Rs.	2021 Rs.
Gross Liability	919,724	530,616
Finance Charges allocated to future periods	(125,494)	(39,184)
Net liability	794,230	491,432

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13. EMPLOYEE BENEFIT LIABILITY

13.1 Defined Benefit Obligation

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

	2021 Rs.	2020 Rs.
Defined Benefit Obligation at 1 April	23,650,347	20,272,038
Charge for the Year (Note 13.2)	5,006,107	6,822,163
Actuarial Gain on Obligation	(804,383)	(1,915,104)
Benefits Paid	(1,595,000)	(1,528,750)
Defined Benefit Obligation at 31 March	26,257,072	23,650,347

13.2 Net Benefit Expense

	2021 Rs.	2020 Rs.
Current Service Cost	3,185,031	5,017,952
Interest Cost on Benefit Obligation	1,821,077	1,804,211
The expenses are recognized in the Income Statement	5,006,107	6,822,163

13.3 The principal assumptions used as at 31 March 2021 are as follows:

	2021 Rs.	2020 Rs.
Salary Increment Rate	7.38%	7%
Discount Rate	7.70%	8.90%
Staff Turnover Rate	34.36%	29.13%
Retirement Age	55 Years	55 Years

14. TRADE AND OTHER PAYABLES

		2021 Rs.	2020 Rs.
Trade Payables	- Related Parties (Note 14.1)	13,420,531	9,779,915
	- Other	576,957,529	560,800,663
		590,378,060	570,580,578
Other Payables	- Related Parties (Note 14.2)	1,901,441	20,744,101
	- Other	17,030,524	12,967,957
Accrued Expenses		4,501,778	10,279,155
		613,811,803	614,571,791

14.1 Trade Payables to Related Parties

	Relationship	2021 Rs.	2020 Rs.
Salota International (Pvt) Ltd	Affiliate	-	2,341,265
Global Logistics Services (Pvt.) Ltd	Affiliate	-	124,341
CL Synergy India Private Limited	Affiliate	1,727,122	-
CLS Transport (Pvt) Ltd	Affiliate	2,858,350	-
Eagle Logistics Colombo (Pvt) Limited	Affiliate	10,013,896	-
Virtrans Capital (Pvt) Ltd	Affiliate	-	14,500
Sytrans Global (Pvt) Ltd	Affiliate	(1,178,837)	7,299,810
		13,420,531	9,779,915

14.2 Other Payables to Related Parties

	Relationship	2021 Rs.	2020 Rs.
Key Management Personals of Entity			
Mr. K.M.J.C. Udamulla	Director	-	3,798,012
Corporate Entities			
Eagle Logistics Colombo (Pvt) Ltd	Affiliate	-	282,166
CLS Transport	Affiliate	-	12,480,341
CLS Holdings (Pvt) Ltd	Parent	1,901,441	497,193
Salota International (Pvt) Ltd	Affiliate	-	3,686,389
		1,901,441	20,744,101

15. INCOME TAX

The major components of Income Tax Expense for the Year Ended 31 March 2021 and 31 March 2020 are as follows :

	2021 Rs.	2020 Rs.
Income Statement		
Current Income Tax		
Current Income Tax charge (Note 15.1)	14,165,476	6,519,584
Under/ (Over) Provision of Taxes in respect of Prior Years	(2,102,499)	-
	12,062,977	6,519,584
Deferred Income Tax		
Deferred Taxation Charge/(Reversal) (Note 15.3)	(2,301,547)	(5,383,990)
Income Tax Expense reported in the Income Statement	9,761,430	1,135,594

15.1 A Reconciliation between Tax Expense and the Product of Accounting Profit Multiplied by the Statutory Tax Rate for the Years Ended 31 March 2021 and 2020 is as follows :

	2021 Rs.	2020 Rs.
Accounting Profit Before Tax	73,315,684	20,489,795
Less -: Non Business Income	-	-
	73,315,684	20,489,795
Non deductible Expenses	60,192,276	79,922,945
Deductible Expenses	(60,206,472)	(58,219,694)
Taxable Income - Business Income	73,301,488	42,193,046
Non Business Income - Taxable	16,260,820	13,320,786
Taxable Profit	89,562,308	55,513,832
Income Tax Expense		
On Export Profit - 14%	14,165,476	6,519,584
Income Tax Expense	14,165,476	6,519,584

15.2 Deferred Tax Assets, Liabilities and Income Tax relates to the following :

	2021 Rs.	2020 Rs.
Deferred Tax Liability		
On Property, Plant and Equipment	278,665	559,500
On Net Impact from Right-of-Use Asset and Lease Liability	537	-
On Cash flow Hedge Reserve	1,181,527	1,502,243
	1,460,729	2,061,743
Deferred Tax Assets		
On Employee Benefit Liability	3,675,990	3,311,049
On Net Impact from Right-of-Use Asset and Lease Liability	-	402,436
On Provision for Bad debts	3,403,022	2,959,135
	7,079,012	6,672,621
	5,618,283	4,610,878

15.3 Deferred Tax Asset

	2021	2020
Balance at Beginning of the Year	4,610,876	997,244
Deferred Income Tax Credit/(Charge)- Income Statement	2,301,547	5,383,990
Deferred Income Tax Credit/(Charge)- Statement of Other Comprehensive Income	(1,294,140)	(1,770,358)
Balance at the End of the Year	5,618,283	4,610,876

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		2021	2020
16.	**CASH AND CASH EQUIVALENTS**	**Rs.**	**Rs.**
16.1	**Favourable Cash and Cash Equivalent Balances**		
	Cash and Bank Balances	93,091,018	144,497,739
16.2	**Unfavourable Cash and Cash Equivalent Balances**		
	Bank Overdrafts (Note 12)	(365,213,741)	(418,201,000)
	Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	(272,122,723)	(273,703,261)

		2021	2020
17.	**PROFIT/(LOSS) FROM CONTINUING OPERATIONS**		
	Stated after Charging/(Crediting)	**Rs.**	**Rs.**
	Included in Administrative Expenses		
	Employees Benefits including the following		
	- Employee Benefit Liability - Gratuity	5,137,568	6,822,163
	- Defined Contribution Plan Costs - EPF	11,579,964	13,559,766
	- ETF	2,894,991	3,389,941
	Depreciation	5,825,533	7,205,069
	Amortization	441,131	879,146
	Audit Fee	473,506	461,100
	Included in Distribution Costs		
	Business Promotion	13,341,111	9,926,517
	Advertisement Expenses	-	86,700
	Foreign Travelling Expenses	255,536	16,588,969

18. COMMITMENT AND CONTINGENCIES

18.1 Capital Expenditure Commitments

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

18.2 Contingent Liabilities

a) The company has given bank guarantees for the following beneficiaries as at 31 March 2021.

Guarantee No.	Bank	Beneficiaries	Next Renewal Date	2021 Rs.
108BGTEE1900013	Hatton National Bank	Aitken Spence Cargo (Pvt) Ltd	2022.01.30	1,000,000
108BGTEE1900014	Hatton National Bank	Aitken Spence Cargo (Pvt) Ltd	2022.01.30	2,000,000
108BGTEE1900015	Hatton National Bank	Aitken Spence aviation (Pvt) Ltd	2022.01.30	1,000,000
108BGTEE1900016	Hatton National Bank	Cathay Pacific Airways Limited	2022.01.30	1,000,000
108BGTEE1900017	Hatton National Bank	Forbes Air Services (Pvt) Ltd	2022.01.30	2,000,000
108BGTEE1900018	Hatton National Bank	Maersk Lanka (Pvt) Ltd	2022.01.30	3,000,000
108BGTEE1900019	Hatton National Bank	Director General of Merchant Shipping	2022.01.30	500,000
108BGTEE1900020	Hatton National Bank	MSC Lanka (Pvt) Ltd	2022.01.30	3,000,000
108BGTEE2000013	Hatton National Bank	MSC Lanka (Pvt) Ltd	2021.04.19	2,000,000
108BGTEE1900021	Hatton National Bank	Srilankan Airlines Ltd	2022.01.30	3,000,000
108BGTEE1900022	Hatton National Bank	Turkish Airlines Inc	2022.01.30	1,500,000
BRL/OGT/17/048	DFCC Bank	Star Lanka Shipping (Pvt) Ltd	2021.07.01	200,000
BRL/OGT/17/049	DFCC Bank	Hemas Meritime (Pvt) Ltd	2021.12.31	200,000
BRL/OGT/18/038	DFCC Bank	Airport & Aviation Services (Sri Lanka) Ltd	-	765,538
				21,165,538

b) A Contingent Liability exist in repsect of purchase of an apartment from Crystal Property Group (Pvt) Ltd amounting to Rs.28.8 Mn which has to pay in 5 installments till May 2021.

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19. ASSETS PLEDGED

The Company has pledged following assets for the Term Loans obtained from DFCC Bank PLC for the period ended 31st March 2021.

A Mortgage Bond No.1404 dated 14.07 .2010 attested by Mrs. A S Ganegoda NP for Rs.3,500,000/- over the Book Debts of the Company.

A Mortgage Bond No.2582 dated 19.11.2012 attested by S Mudalige Notary Public for Rs.23,000,000/- over Book Debts of the Company.

A Mortgage Bond No.3135 dated 08.08.2016 attested by S Mudalige NP for Rs.30,000,000/- over Book Debts of the Company.

A Mortgage Bond No.1415 dated 30.06.201 and 03/07/2017 attested by K M Suraweera NP for Rs.70,000,000/- over Book Debts of the Company.

A Mortgage Bond No 3444 dated 15.05.2018 attested by S Mudalige NP for Rs.50,000,000/- over Book Debts of the Company.

A Mortgage Bond No 858 dated 23.04.2020 attested by PKDKAK Jayasinghe,NP for Rs.75,000,000/- over Book Debts of the Company.

Lien over of Fixed Deposit bearing No. 012207009772 from DFCC Bank to the value of Rs3,873,050.69 together with a letter of set off signed by the holder of the deposit.

Lien over of Fixed Deposit bearing No 012207009783 from DFCC Bank to the value of Rs.6,817,882.63 together with a letter of set off signed by the holder of the deposit

The Company has pledged following assets for the Term Loans obtained from Hatton National Bank PLC for the period ended 31 March 2021.

Assignment of Book Debts.- Registered primaryMortgage Bond for Rs.32,500,000- to be executed over company receivables (ebtors as at 30.11.2019-Rs 608,220,000-)

The Company has pledged following assets for the Term Loans obtained from Cargills Bank for the period ended 31 March 2021.

Existing Mortgage over book debts for Rs.50,000,000/-.

Lien over fixed deposit No. 001250000095 for Rs. 6,860,198.73 & . No. OO1250OOO258 for Rs.7,000,000.00 of CL Synergy (pvt) Ltd (Held)

The Company has pledged following assets for the Term Loans obtained from Nation Trust Bank PLC for the period ended 31 March 2021.

Primary Mortgage Bond over Book Debts for Rupee 285,000,000/-.

Lien to be placed over monthly cash buildLrp of Rupees 1,000,000/- to the Current Account 200220034612 in the name of CL Synergy (Private) Limited maintained wrth Nations Trust Bank PLC

Lien placed over Fixed Deposits totaling to Rupees 32,000,000/- in the name ofthe Company and subsequent renewals thereon

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20. RELATED PARTY DISCLOSURES

Details of Significant Related Party Disclosures are As Follows:

20.1 Transaction With the Parent and Related Entities

Nature of Transaction	Parent		Affiliates													
	CLS Holdings (Pvt) Ltd		Cl Synergy Travels (Pvt) Ltd		Syneag Leisure (Pvt) Ltd		CL Synergy India (Pvt) Ltd		CL Synergy Asia (Pvt) Ltd		CL Synergy BD Ltd		CLS Technologies (Pvt) Ltd		20Cube Logistics (Pvt) Ltd	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As At 1 April																
Trade and Other Payables	-	-	-	-	-	-	(5,484,949)	(125,785)	-	-	-	-	-	-	-	-
Trade and Other Receivable	(497,193)	7,430,291	12,964,526	11,534,637	466,196	388,712	8,435,467	12,591,971	1,586,142	1,040,240	959,225	1,047,281	253,383	325,139	-	437,049
Amounts Due From Related Parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amounts Due To Related Parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Bearing Loans and Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(497,193)**	**7,430,291**	**12,964,526**	**11,534,637**	**466,196**	**388,712**	**2,950,518**	**12,466,186**	**1,586,142**	**1,040,240**	**959,225**	**1,047,281**	**253,383**	**325,139**	**-**	**437,049**
								-	-	-		-	-			
Sale of Goods / Services	-	-	-	-	-	-	4,263,251	2,416,981	-	-	599,683	-	-	-	8,630,394	-
Sales of Property and Other Assets	-	-	-	-	-	-			-	-	-	-	-	-	-	-
Purchase of Goods / Services	-	-	-	-	-	-	(37,630,538)	(5,484,949)	-	-	-	(88,056)	-	-	-	-
Sales of Property and Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fees Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fees Receivables	-	211,223	-	-	-	-	-	217,161	-	-	-	-	-	-	-	-
Finance Income Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secretarial and Professional Fee Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses Incurred on Behalf of Others	12,385,424	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income Receivable	736,291	374,620	-	1,407,917	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense Payable	(25,272)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting Fee Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses Incurred on Behalf of the Company	640,293	155,400	-	21,973	203,000	77,484	99,848	649,159	845,550	545,902	-	-	71,500	103,244	-	-
Income Receivable on Behalf of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Settlement of Dues from Related Parties	(70,163,569)	(9,460,000)	(12,964,526)	-	-	-	(6,543,893)	(523,373)	-	-	(402,000)	-	-	(175,000)	(8,549,464)	(437,049)
Settlement of Dues to Related Parties	67,387,985	9,460,000	-	-	-	-	41,388,365	-	-	-	88,056	-	-	-	-	-
Finance Income Received	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Management Fees Paid	(211,223)	-	-	-	-	-	(217,161)	-	-	-	-	-	-	-	-	-
Expenses Incurred on Behalf of the Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting Fee Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance Income Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance Payments Paid	-	-	-	-	-	-	31,292,369	(11,139,262)	-	-	-	-	-	-	-	-
Advance Payments Settled	-	-	-	-	-	-	(26,295,206)	4,348,615	-	-	-	-	-	-	-	-
Loans Capital Paid/Granted	13,000,000	(8,668,727)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	23,749,929	**(7,927,484)**	**(12,964,526)**	**1,429,890**	**203,000**	**77,484**	**6,357,036**	**(9,515,668)**	**845,550**	**545,902**	**285,739**	**(88,056)**	**71,500**	**(71,756)**	**80,930**	**(437,049)**
As At 31 March '31	**23,252,736**	**(497,193)**	**-**	**12,964,527**	**669,196**	**466,196**	**9,307,554**	**2,950,518**	**2,431,692**	**1,586,142**	**1,244,964**	**959,225**	**324,883**	**253,383**	**80,930**	**-**
Included In As At 31 March																
Trade and Other Payables	-	-	-	-	-	-	(1,727,122)	(5,484,949)	-	-	-	-	-	-	-	-
Trade and Other Receivable	23,252,736	(497,193)	-	12,964,526	669,196	466,196	11,034,676	8,435,467	2,431,692	1,586,142	1,244,964	959,225	324,883	253,383	80,930	-
Amounts Due From Related Parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amounts Due To Related Parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Bearing Loans and Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**23,252,736**	**(497,193)**	**-**	**12,964,526**	**669,196**	**466,196**	**9,307,554**	**2,950,518**	**2,431,692**	**1,586,142**	**1,244,964**	**959,225**	**324,883**	**253,383**	**80,930**	**-**

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20. RELATED PARTY DISCLOSURES (Contd...)

Details of Significant Related Party Disclosures are As Follows:

20.1 Transaction With the Parent and Related Entities (Contd...)

		Affiliates					
Nature of Transaction		**ASB Freight (Pvt) Ltd**		**Eagle logistics Colombo (Pvt) Ltd**		**CLS Transport**	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**
		Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
As At 1 April							
Trade and Other Payables		-	(61,855)	(306,715)	(98,196)	(12,480,341)	(11,583,618)
Trade and Other Receivable		3,479,274	2,727,705	913,035	1,102,623	-	-
Amounts Due From Related Parties		-	-	-	-	-	-
Amounts Due To Related Parties		-	-	-	-	-	-
Interest Bearing Loans and Borrowings		-	-	-	-	-	-
		3,479,274	**2,665,850**	**606,319**	**1,004,427**	**(12,480,341)**	**(11,583,618)**
Sale of Goods / Services		8,100	1,052,358	790,962	1,967,114	-	-
Sales of Property and Other Assets		-	-	-	-		-
Purchase of Goods / Services		-	-	(11,425,705)	(57,782)	-	-
Sales of Property and Other Assets		-	-	-	-	-	-
Management Fees Payable		-	-		-	-	-
Management Fees Receivables		6,421,861	7,999,529	-	10,847,556	-	-
Finance Income Payable		-	-	-	-	-	-
Secretarial and Professional Fee Receivable		-	-	-	-	-	-
Expenses Incurred on Behalf of Others		-	-	-	-	-	-
Interest Income Receivable		-	-	-	-	-	-
Interest Expense Payable		-	-	-	-	-	(1,930,664)
Accounting Fee Payable		-	-	-	-	-	-
Expenses Incurred on Behalf of the Company		-	497,528	520,000	567,834	12,000	11,932,614
Income Receivable on Behalf of the Company		-	-	-	-	-	-
Settlement of Dues from Related Parties		(1,369,324)	(8,397,846)	(897,549)	(13,854,310)		(10,898,674)
Settlement of Dues to Related Parties			61,855	1,436,358	131,428	14,470,341	-
Finance Income Received			-		-	-	-
Management Fees Paid		(5,801,809)	-	(8,848,049)	-		-
Expenses Incurred on Behalf of the Others		-	-	-	-	-	-
Accounting Fee Paid		-	-	-	-	-	-
Finance Income Paid		-	-	-	-	-	-
Advance Payments Paid		-	-	-	-	-	-
Advance Payments Settled		-	-	-	-	-	-
Loans Capital Paid/Granted		5,000,000	(400,000)	-	-	(2,000,000)	-
		4,258,827	**813,424**	**(18,423,983)**	**(398,159)**	**12,482,341**	**(896,723)**
As At 31 March '31		**7,738,101**	**3,479,274**	**(17,817,663)**	**606,268**	**2,000**	**(12,480,341)**
Included In As At 31 March		-	-	-	-	-	-
Trade and Other Payables		-	-	(10,013,896)	(306,715)		(12,480,341)
Trade and Other Receivable		7,738,101	3,479,274	1,061,615	913,035	2,000	-
Amounts Due From Related Parties		-	-	-	-	-	-
Amounts Due To Related Parties		-	-	-	-	-	-
Interest Bearing Loans and Borrowings		-	-	-	-	-	-
Total		**7,738,101**	**3,479,274**	**(8,952,281)**	**606,319**	**2,000**	**(12,480,341)**

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20. RELATED PARTY DISCLOSURES (Contd…)

Details of Significant Related Party Disclosures are As Follows:

20.1 Transaction With the Parent and Related Entities (Contd…)

	Affiliates										Total	
Nature of Transaction	**CLS Transport (Pvt) Ltd**		**CLS Partners (Pvt) Ltd**		**EAGLE GLOBAL EXPRESS (PVT) LTD**		**VIRTRANS CAPITAL (PVT) LTD**		**SYTRANS GLOBAL (PVT) LTD**			
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
As At 1 April												
Trade and Other Payables	(696,675)	-	-	-	-	-	-	-			(18,968,681)	(11,869,453)
Trade and Other Receivable	120,330,907	67,137,283	25,317,893	13,005,583	195,300	146,553	74,950,816	24,076,149	(5,500,172)		243,854,799	142,991,217
Amounts Due From Related Parties	-	-	-	-	-	-	-	-			-	-
Amounts Due To Related Parties	-	-	-	-	-	-	-	-			-	-
Interest Bearing Loans and Borrowings	-	-	-	-	-	-	-	-			-	-
	119,634,232	**67,137,283**	**25,317,893**	**13,005,583**	**195,300**	**146,553**	**74,950,816**	**24,076,149**	**(5,500,172)**	**-**	**224,886,119**	**131,121,763**
					-					-		
Sale of Goods / Services	-	-	-	-	-	-		435,000	76,446	12,000	14,368,836	5,883,453
Sales of Property and Other Assets	-	-	-	-	-	-		-			-	-
Purchase of Goods / Services	(11,928,280)	(30,506,940)	-	-	-	-		(449,500)	(24,757,617)	(8,405,724)	(85,742,140)	(44,992,900)
Sales of Property and Other Assets	-	-	-	-	-	-		-			-	-
Management Fees Payable	-	-	-	-	-	-		-			-	-
Management Fees Receivables	763,830	1,090,750	-	-	830,460	825,753	6,420,263	23,223,318	2,669,423	1,352,424	17,105,837	45,767,713
Finance Income Payable	-	-	-	-	-	-		-			-	-
Secretarial and Professional Fee Receivable	-	-	-	-	-	-		-			-	-
Expenses Incurred on Behalf of Others	-	-	-	-	-	-		-			12,385,424	-
Interest Income Receivable	-	5,426,441	2,069,911	2,086,805	-	-		6,646,706			2,806,202	15,942,488
Interest Income Payable	-	-	-	-	-			-			(25,272)	(1,930,664)
Accounting Fee Payable	-	-	-	-	-	-		-			-	-
Expenses Incurred on Behalf of the Company	48,616,200	5,131,374	1,552,326	10,225,505	-	-	3,997,632	18,125,802	4,460,166	372,014	61,018,513	48,405,833
Income Receivable on Behalf of the Company	-	-	-	-	-	-		-			-	-
Settlement of Dues from Related Parties	(2,758,215)	(5,160,470)	-	-	-	(777,006)	(23,186,423)	(26,890,705)	(4,920,291)		(131,755,254)	(76,574,433)
Settlement of Dues to Related Parties	9,766,605	29,085,120	-	-	-	-	449,500	-	33,248,263	1,093,914	168,235,474	39,832,318
Finance Income Received	-	-	-	-	-	-	-	-			-	-
Management Fees Paid	-	(313,079)	-	-	(874,172)	-	-	-	(4,021,847)		(19,974,260)	(313,079)
Expenses Incurred on Behalf of the Others	-	-	-	-	-	-	-	-			-	-
Accounting Fee Paid	-	-	-	-	-	-	-	-			-	-
Finance Income Paid	-	-	-	-	-	-	-	-			-	-
Advance Payments Paid	128,170,483	79,619,522	-	-	-	-	-	-	28,760,617	75,200	188,223,469	68,555,460
Advance Payments Settled	(190,553,027)	(31,875,768)	-	-	-	-	-	-	(28,107,317)		(244,955,550)	(27,527,154)
Loans Capital Paid/Granted	67,349,089	-	(5,000,000)	-	-	-	-	29,784,047			78,349,089	20,715,320
	49,426,684	**52,496,950**	**(1,377,763)**	**12,312,309**	**(43,712)**	**48,747**	**(12,319,029)**	**50,874,668**	**7,407,844**	**(5,500,172)**	**60,040,366**	**93,764,355**
As At 31 March '31	**169,060,916**	**119,634,232**	**23,940,130**	**25,317,893**	**151,588**	**195,300**	**62,631,788**	**74,950,816**	**1,907,672**	**(5,500,172)**	**284,926,485**	**224,886,119**
Included In As At 31 March					-	-	-	-	-	-	-	-
Trade and Other Payables	(2,858,350)	(696,675)	-	-	-	-	-	(449,500)		-	(14,599,368)	(19,418,180)
Trade and Other Receivable	171,919,266	120,330,907	23,940,130	25,317,893	151,588	195,300	62,631,788	75,400,316	1,907,672	(5,500,172)	308,391,235	244,304,299
Amounts Due From Related Parties		-	-	-	-	-	-	-	-	-	-	-
Amounts Due To Related Parties		-	-	-		-	-	-	-	-	-	-
Interest Bearing Loans and Borrowings		-	-	-	-	-	-	-	-	-	-	-
											-	-
Total	**169,060,916**	**119,634,232**	**23,940,130**	**25,317,893**	**151,588**	**195,300**	**62,631,788**	**74,950,816**	**1,907,672**	**(5,500,172)**	**293,791,867**	**224,886,119**

Terms and Conditions:
Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured and interest free settlement occurs in cash.

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20. RELATED PARTY DISCLOSURES (Contd…)

20.2 Transactions with Key Management Personnel of the Company or its Parent

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

20.2.1 Compensation of Key Managerial Personnel (KMPs)

	2021 Rs.	2020 Rs.
Short-Term Employee Benefits	25,062,500	27,666,000
Post Employment Benefits	929,525	994,822
	25,992,025	28,660,822

20.2.2 Other Transactions with Key Managerial Personnel and their Close Family Members

Loans Given by Directors	Short Term Loans 2021 Rs.	Short Term 2020 Rs.
Balance as at 01 April	3,798,012	15,510,000
Loan Given Net of Recoveries	(3,798,012)	(11,711,988)
Balance as at 31 March	-	3,798,012

Amounts Receivable from Directors and their Spouses	Other Payables 2021 Rs.	Other Payables 2020 Rs.
Balance as at 01 April	41,039,948	28,788,273
Receivable from Directors and their Spouses	6,365,865	12,251,675
Balance as at 31 March	47,405,813	41,039,948

21. EVENTS OCCURRING AFTER THE REPORTING DATE

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

The Company has acquired 30% ownership of ASB Freight (Pvt) Ltd and 50% ownership of Eagle Logistics Colombo (Pvt) Ltd as at 1 April 2021.

22. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

22.1 Fair Values

Set out below is a comparison of the carrying amounts and fair values of the Company's financial instruments by classes, that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial Assets and non-financial liabilities.

	Carrying Amount		Fair Value	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Financial Assets				
Trade and Other Receivables excluding Prepayment	1,200,004,678	1,026,476,013	1,200,004,678	1,026,476,013
Financial Assets at Fair Value through Other Comprehensive Income	12,412,495	12,142,637	12,412,495	12,142,637
Financial Assets at Amortised Cost	142,027,399	142,650,923	142,027,399	142,650,923
Cash & Bank Balance	93,091,018	144,497,739	93,091,018	144,497,739
	1,447,535,590	1,325,767,312	1,447,535,590	1,325,767,312
Financial Liabilities				
Trade and Other Payables	613,811,803	614,571,791	613,811,803	614,571,791
Bank Loans	279,111,248	164,376,167	279,111,248	164,376,167
Bank Overdraft	365,213,741	418,201,000	365,213,741	418,201,000
	1,258,136,792	1,197,148,958	1,258,136,792	1,197,148,958

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22. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd…)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values;

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31st March 2021, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

The fair value of loans from banks and other financial liabilities were estimated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

23. RISK MANAGEMENT DISCLOSURE

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

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

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

23.1 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and supervision of the Company's risk management framework.

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

a) Credit Risk

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

a) Credit Risk

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

Trade and Other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

23. RISK MANAGEMENT DISCLOSURE (Contd…)

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

	2021 Rs.	2020 Rs.
Sri Lankan Rupees	1,215,148,053	1,040,014,801
	1,215,148,053	1,040,014,801

Cash and Short Term Deposits

The Company held cash and short term deposits of Rs.235 Mn at 31 March 2021 (2020 - Rs. 287Mn) which represents its maximum credit exposure on these assets.

b) Liquidity Risk

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

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

As at 31 March 2021	On demand Rs.	Less than 3 Months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	>5 years Rs.	Total Rs.
Trade Payables	243,431,020	270,421,021	57,565,552	18,960,467		590,378,060
	243,431,020	270,421,021	57,565,552	18,960,467	-	590,378,060

As at 31 March 2020	On demand Rs.	Less than 3 Months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	>5 years Rs.	Total Rs.
Trade Payables	201,720,250	234,872,373	133,072,330	915,625		570,580,578
	201,720,250	234,872,373	133,072,330	915,625	-	570,580,578

c) Market Risk

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

Interest Rate Risk

The Company is exposed to interest rate risk on short term deposits placed with the financial institutes and short term loans granted to inter company.

23.2 Capital Management

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

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24. IMPACT ON COVID- 19

The coronavirus outbreak since early 2020 has brought about additional uncertainties in the Company's operating environment and has impacted the Company's operations. The Company has been closely monitoring the impact of the developments on the Company's businesses and has put in place contingency measures.

In March 2020, the Company evaluated the resilience of its businesses considering cost management, profitability, liquidity, recovery of receivables, the ability to defer nonessential capital expenditure, debt repayment, cash reserves, availability of sources of financing facilities and the ability to continue providing services to ensure businesses continue as minimum disruption.

As a Freight forwarding company, CL Synergy has seen the Covid-19 impact to our business in a different aspect, initially there has been significant impact within the apparel sector which has impacted on customer order cancelation, credit terms extension, logistic & supply chain challenges with Movement restrictions.

Company ensured to deliver high level of customer service and support during pandemic by equipping all staff to operate from their homes to ensure uninterrupted service to all customers despite COVID-19 lockdown restrictions, will no doubt hold the company in a good position to continue focus on reinforcing of key markets and optimize business operations by diversifying into different markets.

In addition, the Company also undertook several short-term cost containment initiatives which further enabled the organization to overcome the challenges posed.

With Impact on 2nd and 3rd wave of Covid-19, we have taken measures to improve liquidity while continuing to serve all our customers in the most efficient and effective manner. Our priorities will be to maintain the health & safety of all our employees, while strengthening the core business.

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CL SYNERGY (PVT) LTD

DETAILED STATEMENT OF PROFIT OR LOSS
YEAR ENDED 31 MARCH 2021

CL Synergy (Private) Limited

STATEMENT OF DETAILED INCOME STATEMENT

Year ended 31 March 2021

	STATEMENT	2021 Rs.	2020 Rs.
Revenue		3,474,357,409	3,271,649,487
Cost of Sales		(3,073,755,502)	(2,911,879,085)
Gross Profit		400,601,908	359,770,402
Other Operating Income		29,889,229	46,715,611
Administrative Expenses	I	(243,480,417)	(251,687,529)
Selling and Distribution Expenses	II	(62,681,004)	(71,109,686)
Operating Profit		124,329,716	83,688,798
Finance Income		16,260,820	32,586,927
Finance Cost		(67,274,852)	(95,785,930)
Profit Before Tax		73,315,684	20,489,795

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CL Synergy (Private) Limited

STATEMENT OF DETAILED INCOME STATEMENT

Year ended 31 March 2021

STATEMENT I	**2021**	**2020**
	Rs.	**Rs.**
REVENUE		
Air Freight-Exports	127,733,633	143,031,113
Air Freight-Imports	698,843,357	1,056,955,033
Sea Freight-Exports	1,340,036,306	1,224,476,489
Sea Freight-Imports	1,009,920,562	578,366,325
Clearance and Forwarding Income	199,788,262	195,278,075
Cross Trade Income	36,005,444	51,451,397
Other Freight Income	62,029,846	22,091,055
	3,474,357,409	3,271,649,487

STATEMENT II	**2021**	**2020**
COST OF SERVICES	**Rs.**	**Rs.**
Air Freight-Exports	116,975,108	122,304,041
Air Freight-Imports	616,001,779	966,545,338
Sea Freight-Exports	1,176,677,370	1,069,189,519
Sea Freight-Imports	894,072,364	500,468,792
Clearance and Forwarding Expenses	192,602,188	189,318,390
Cross Trade Expenses	29,980,502	45,276,551
Other Freight Expenses	47,446,191	18,776,454
	3,073,755,502	2,911,879,085

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STATEMENT I

ADMINISTRATIVE EXPENSES	**2021 Rs.**	**2020 Rs.**
Director Salaries (Not In Pay Roll)	20,337,500	22,446,000
Director Salaries	4,725,000	5,220,000
Directors EPF 12%	567,000	626,400
Directors ETF 3%	141,750	156,600
Staff Salaries	96,499,696	113,049,296
EPF	11,579,964	13,559,766
ETF	2,894,991	3,389,941
Staff Bonus	-	7,769,085
Consultancy Fees	2,700,000	3,573,750
Vehicle Allowance	3,578,000	5,685,000
Staff Training	292,942	323,250
Temporary Wages	2,085,521	2,344,794
Staff Insurance Expenses	2,867,247	2,877,557
Staff Welfare	8,681,152	9,053,740
Gratuity	5,137,568	6,822,163
Printing and Stationary	1,274,709	2,878,049
Telephone, Telex and Fax (Communication Cost + Email)	4,924,151	5,342,084
Office Rent	833,952	3,048,948
Car Park Rent	615,660	1,386,653
General Expenses(Office Expenses)	1,866,240	1,237,354
Other Sundry Cost	83,111	9,924
Electricity	2,429,827	2,808,826
Water	40,800	54,300
Subscription	2,157,069	2,038,776
Legal Fees	447,500	325,000
Professional Fees	6,653,425	4,601,618
Secretaries Charges	87,890	275,900
Security Charges	1,058,500	96,425
Depreciation	5,825,533	7,205,069
Amortization	441,131	879,146
Audit Fee - Charge for the Year	473,506	461,100
Office Equipment Maintenance	2,498,748	1,588,923
Software Maintenance	1,203,633	1,245,849
Other Insurance	321,934	1,007,807
Stamp Duty	64,400	69,700
Donation	549,000	1,069,356
Loss from Disposal of computers	7,000	-
Loss from Share Disposal	-	103,050
Doubtful Debt Provision	14,274,128	6,030,699
Exchange Gain/(Loss)	14,687,223	(7,605,189)
Tax Surcharge	-	65,435
Discounts	-	(7,627)
Amortization of Right-of-Use Asset	18,573,012	18,573,012
	243,480,417	251,687,529

STATEMENT III
SELLING AND DISTRIBUTION EXPENSES

	2021 Rs.	2020 Rs.
Petrol, Oil and Lubricant	6,720,775	11,254,952
Business Promotion	13,341,111	9,926,517
Sales Allowance	2,910,000	-
Sales Incentive	11,591,087	-
Advertisement	-	86,700
Foreign Travelling Expenses	255,536	16,588,969
Vehicle Maintenance	3,171,524	2,966,775
Depreciation	444,146	413,899
Vehicle Rent	22,222,910	26,379,378
Nation Building Tax	-	1,069,452
Travelling	2,023,914	2,423,044
	62,681,004	71,109,686