



COMMON PRE-SEEN

(SL1 – SL4)

DECEMBER 2024

Ecom Logistics PLC (ELP)

Introduction

Roshan Ginige was a distinguished student at a prestigious school in Galle, where he began his primary education and completed his schooling before entering the Faculty of Engineering at the University of Peradeniya. There, he pursued a BSc in Mechanical Engineering. During his school years he was energetic and enthusiastic, serving as the captain of the school cricket team and a member of the school athletics and cadet teams. Despite his involvement in various extracurricular activities and responsibilities as head prefect, he maintained his academic excellence, achieving the best results in the school in the Advanced Level examination in 1982.

At the university, Roshan maintained a balance between his academic studies and extracurricular pursuits, including sports, social activities, and artistic endeavours. He was recognised as one of the best guitarists at the university. He graduated with a first class honors and subsequently joined the university as a lecturer. Alongside his academic career, he completed several professional examinations, becoming a member of prestigious institutions such as the Chartered Institute of Management Accountants (UK) and the Chartered Institute of Marketing (UK). He later received fellow membership from the Institute of Marketing (Sri Lanka).

Roshan's parents were schoolteachers, without a business background, thus he did not grow up in a business environment. After becoming a lecturer, he realised that academia did not satisfy his ambitions. With his professional qualifications, he decided to shift to the corporate sector. He joined a leading company as a management trainee and rose through the ranks to the position of assistant general manager due to his exceptional abilities and talents. During his seven-year tenure at the company, he gained extensive knowledge about business and developed a strong desire to start his own venture. He aspired to become the owner of one of Sri Lanka's leading corporates.

Roshan is known for his talent in building relationships with people from various social circles and working collaboratively to achieve objectives effortlessly. Roshan met his wife Sanjana at the university, where they were batchmates. She later joined his business venture as a director. They are blessed with three children: two sons and a daughter. He planned his business venture with his good friend Kamal Fernando, who he met when they were both studying for their CIMA examinations. Kamal is also a member of the CA Sri Lanka. They both then completed their Master of Business Administration (MBA) degrees in the same year at the University of Colombo, which helped them understand the business environment more effectively.

Historical Background

In 1993, Roshan and Kamal identified an opportunity in the logistics industry, driven by the growing demand for export and import services in Sri Lanka, despite the ongoing conflicts in the south and north of the country. Recognising the high risk but also the potential, they decided to enter the business, seizing the opportunity presented by the lack of new competitors in the Sri Lankan market at that time. Roshan and Kamal established a logistics company named Ecom Logistics (Pvt) Ltd (ELPL) in a prime location in Bambalapitiya, Colombo in 1993. They both invested equal amounts, holding a 50:50 ownership split. The company was established

with an initial stated capital of Rs. 10 million and secured a long-term loan of Rs. 5 million from the Bank of Ceylon, which they chose as their main banker. Roshan provided extensive business insights in freight forwarding, non-vessel operations, supply chain management, local transportation, exports and imports, and warehousing. With his expertise, they started the business on a small scale, employing two wharf clerks and one secretary to support their operations.

Roshan and Kamal worked tirelessly to secure business and develop an international agency network, providing high quality, world-class services, and this attracted customers even from competitors. They also ensured personalised services for both new and existing clients to meet their requirements. Roshan, the initial chairman of ELPL, and Kamal, the first managing director, played crucial roles in the company's foundation. Sanjana was appointed subsequently as a member of the board as a non-executive director. The company successfully grew its business network, both locally and internationally, with the support of a highly motivated marketing team that oversaw domestic and international markets. Roshan was responsible for developing the international agency network, driving new business opportunities.

Subsequently, operations were extended to provide warehousing and local transportation to meet customer expectations. Customers expected a total solution, such as door-to-door services that pick-up cargo from the customer warehouses and deliver it to buyers at the final destinations overseas.

Nuwan Goonewardene, a passed finalist of CA Sri Lanka, served as the financial accountant of the company since its inception. To manage the growing business, the company recruited two managers to head the expanding departments as well as additional staff, increasing the total number of employees to 250. With this expansion, the need for a qualified chartered accountant as the finance director became apparent. The chairman suggested his relative, Udaya Sirisena, a qualified chartered accountant with a finance degree from the University of Sri Jayewardenepura for the position of the finance director. After reviewing his personal information and biometric data, the board appointed Udaya as the finance director with effect from 1 January 1998. A prominent lawyer named Parakram de Silva has served as the Company Secretary since the company's inception.

Finance and Business Strategies

Roshan, the chairman, believed it was necessary to appoint new directors who had hands-on experience and knowledge in the logistics industry, as non-executive independent directors to the board. In 2008, just before the peace was dawn on Sri Lanka, Thenuka de Silva, Nimalka Goonaratna and Saliya Perera, who were experts and reputed persons in the industry, were appointed as directors of ELPL. Thenuka and Nimalka were fellow members of the Chartered Institute of Logistics and Transport (CILT Sri Lanka) and Saliya was a member of the Chartered Institute of Marketing (UK).

In 2015, the board of directors of ELPL discussed the future of the industry and the company's strategic plan. Considering the company's steady and sustainable growth, the board decided to expand the business by acquiring its own transport fleet and modernising its warehouse to world-class standards, which could also be rented out to others. They decided to raise the required funds through an initial public offering (IPO). The chairman stated that it was the right

time for the company to be listed on the Colombo Stock Exchange. The board unanimously decided to proceed with the IPO, issuing new shares to bring the total number of shares to 500 million at Rs. 10 per share.

The ownership structure (just after the IPO) of Ecom Logistics PLC (ELP) was as follows.

Shareholder	Ownership (%)
Roshan Ginige	30
Kamal Fernando	30
Public	40
	100

Table 1: Ownership structure of ELP

Ajantha de Silva, one of Roshan’s best friends, bought 8% of the shares from the market at Rs. 15 per share to join as an executive director of the company in 2019. He was a university batchmate of Roshan. Ajantha has invested in several private and public companies and holds directorships in those companies. He holds 24% of the shares in Ocean Shipping Line (Pvt) Ltd (OSL), a company operating as a Non-Vessel Operating Common Carrier (NVOCC), which performs all the services of a carrier but does not own vessels. Roshan saw an opportunity to excel in his ambition to add new ventures and accelerate the growth of ELP by acquiring a significant stake in OSL. Ajantha was involved in this negotiation and helped ELP to acquire 26% of the shares of OSL in 2021, just after the end of the COVID-19 pandemic. Roshan foresaw a future demand for ocean freight due to the high air freight rates and the shortfall of aircrafts, which were severely affected by the pandemic worldwide.

However, OSL’s performance turned out to be poor, and Roshan was not happy with his investment. Since he was only a non-executive director he could only question and suggest, and did not have the right to be involved in day-to-day operations. Four family members equally owned 50% of OSL, and two of them had a conflict with the other two brothers about the performance of the company. They were willing to sell their shares to Roshan if he offered a good price. Although OSL is currently performing poorly, if managed properly it can be turned around, as the future of the NVOCC industry is bright.

Our Vision

To be the leading global provider of innovative logistics solutions, empowering businesses to thrive in a dynamic world through exceptional service, advanced technology, and commitment to sustainability.

Our Mission

To deliver superior logistics services by leveraging our global network, fostering a culture of innovation, and prioritising customer satisfaction. We are dedicated to streamlining operations, enhancing technological capabilities, and promoting sustainable practices to create value for our clients, employees, and stakeholders.

Cultural Integration and Technology to Revolutionise ELP

ELP has created an inclusive workplace where employees from diverse cultural backgrounds feel valued and respected. The company conducts regular programmes and implements policies to support diversity in hiring, promoting, and retaining employees. Regarding training and development, ELP focuses on cultural sensitivity training to help employees understand and respect different cultural norms and practices. Majority of the current employees are hired from competitors, bringing diverse cultural backgrounds. The company also emphasises cultural intelligence in its leadership development programmes.

ELP promotes open and effective communication across different cultural groups by using multiple languages in internal communications. The company encourages employees to celebrate cultural diversity through initiatives such as cultural festivals, heritage months, and multicultural events. Employee resource groups or networks are also in place to provide support and advocacy for employees from diverse backgrounds. In its international operations, ELP manages and integrates different cultures by localising business practices to align with cultural norms and preferences in various countries. The company employs a few individuals under its payroll, who are recruited by international agents to promote the ELP brand name in various overseas destinations.

ELP's CSR initiatives reflect cultural values and social norms of the communities they engage with, aiming to understand their needs and contribute positively. For a detailed understanding, specific case studies or reports from the company are required to illustrate how the company successfully navigates cultural integration challenges and leverages diversity to enhance efficacy of its operations.

The company communicates its vision and strategic initiatives to all the employees through newsletters, workshops, WhatsApp messages etc., and encourages employees to volunteer to engage in various change initiatives, creating a sense of ownership and commitment across the organisation.

As a diversified company, ELP operates in various sectors, including freight forwarding (air and sea), domestic transportation, warehousing with modern facilities for storing import and export cargo, Customs Clearance House Agent (CHA) services, and packaging and moving (personal effects). To succeed in these dynamic sectors, the company has fostered a culture of quick decision-making, particularly in logistics and freight forwarding. Department heads are empowered to make decisions that enhance responsiveness and agility, supported by clearly defined roles, responsibilities, and standard operating procedures (SOPs) to prevent human error.

ELP encourages its strategic business units (SBUs) to adopt innovative and project-based approaches, forming cross-functional teams to tackle specific projects or challenges. This strategy drives innovation and growth while minimising operational costs. By investing in research and development or consulting services within the SBUs, the company promotes autonomy and recognises individual contributions. This approach not only leads to high levels of motivation and expert performance but is also reflected in the company's evaluation process for annual promotions, increments, and year-end bonuses.

By aligning these cultural frameworks with the unique needs and dynamics of its various divisions, ELP enhances its organisational effectiveness and adapts more readily to changing market conditions. This strategic alignment enables the company to remain competitive and responsive in a rapidly evolving business landscape.

ELP conducts regular domestic and international market analyses to identify opportunities and threats in the logistics sector, leveraging information from their international network partners. Findings are presented to the senior management and key stakeholders, emphasising the need to adapt to industry trends, technological advancements, and regulatory changes. In this context, the company has established a diverse leadership team comprising senior executives, department heads, and influential employees representing various functions such as operations, technology, customer service, and compliance. As part of its routine process, ELP thoroughly reviews current processes, policies, and structures to identify barriers to change, implementing necessary adjustments like streamlining approval processes, upgrading technology infrastructure, and providing training to enhance employee skills and capabilities. Immediate action is taken to rectify any issues that crop up. Changes are integrated into the company's SOPs and corporate culture, ensuring new behaviours, practices, and values are reinforced through performance management systems, training programmes, and leadership development initiatives.

In a bold move to enhance operational efficiency and stay ahead in the competitive logistics sector, ELP has adopted state-of-the-art technology across both its communication and logistics operations. This strategic initiative aims to streamline processes, improve customer service, and drive growth in an increasingly digital world. ELP has integrated advanced communication tools to facilitate seamless interactions both internally and with clients. The adoption of a unified communication platform enables real-time collaboration across different departments and geographic locations. Features such as instant messaging, video conferencing, and document sharing ensure that employees can communicate effectively and efficiently, regardless of their physical location. This enhanced connectivity not only boosts productivity but also fosters a culture of transparency and swift decision-making.

In the logistics sector, ELP has implemented cutting-edge technologies such as artificial intelligence (AI), the Internet of Things (IoT), and blockchain to optimise its supply chain and delivery services. AI-powered algorithms are used to predict demand, optimise routes, and manage inventory, resulting in significant cost savings and improved delivery times. IoT devices, including smart sensors and GPS trackers, provide real-time data on the location and condition of goods, ensuring greater visibility and control over shipments.

Blockchain technology, known for its security and transparency, is being used to create tamper-proof records of transactions and movements within the supply chain. This not only enhances security but also builds trust with clients by providing verifiable and immutable data.

The implementation of these technologies has already shown promising results. ELP has reported a decrease in delivery times, improved accuracy in inventory management, and higher customer satisfaction rates. Employees are also experiencing the benefits of enhanced communication tools, leading to more effective collaboration and faster resolution of issues.

ELP's commitment to technological innovation demonstrates its dedication to providing a superior service and maintaining its competitive edge in the logistics industry. As the company continues to evolve, it remains focused on leveraging technology to meet the changing needs of its customers and drive future growth.

By embracing these advancements, ELP is not only improving its operational capabilities but also setting a new standard for the logistics industry, proving that innovation is the key to success in the modern business landscape.

Review of ELP's Financial Performance and Corporate Governance

At a recent board meeting, the finance director of ELP presented a report on the company's financial performance for the year ended 31 March 2024. The report highlighted a significant decline in several key metrics. Revenue fell sharply from Rs. 576,772 million in 2023 to Rs. 447,352 million in 2024, marking a 22.4% decrease that adversely impacted gross profit, which dropped by 40.1% to Rs. 76,050 million. Operating profit experienced an even more severe decline, falling by 53.9% to Rs. 29,851 million, driven by both reduced revenue and increased selling and distribution expenses. Additionally, in 2024, profit before tax and net profit plummeted by over 54.7% and 48.5%, respectively, underscoring the profound effect of the financial challenges on the company's bottom line. Despite the growth in non-current assets (by 37.2%) and equity (by 24.4%), which suggests potential for long-term investment, the substantial decrease in profitability and ongoing operational inefficiencies raise significant concerns about the company's short-term financial health and strategic direction. The finance director emphasised the urgent need for a comprehensive review and overhaul of the company's operational and financial strategies to address these issues, restore profitability, and stabilise the company's financial standing (Refer appendices 1 and 2 for financial information).

During the annual audit process, the external auditor raised concerns with the finance director regarding discrepancies in the company's financial statements, which led to inaccuracies in reported earnings and expenses. These shortcomings significantly eroded stakeholder confidence and highlighted issues with the effectiveness of ELP's financial oversight. Further, the external auditor will highlight the weaknesses in the financial reporting process in the management letter.

ELP ensures robust governance and maintains stakeholder confidence through a comprehensive governance framework. This framework aligns the company's operations with best practices, regulatory requirements, and ethical standards, promoting transparency, accountability, and long-term sustainability. The composition and structure of the present board of directors ensure a diverse and skilled mix of executive and non-executive directors. The board oversees the company's strategic direction and performance while implementing effective risk management and internal control systems. It also monitors compliance with legal and regulatory requirements and evaluates the performance of the senior management. ELP's audit committee, composed of independent non-executive directors with financial expertise, oversees the integrity of financial reporting. The company has developed a comprehensive code of conduct outlining ethical standards and expectations. ELP maintains open and transparent communication with shareholders, employees, customers, and other stakeholders, conducting regular stakeholder meetings and providing updates on company performance and governance practices. Additionally, ELP integrates environmental, social, and governance (ESG) considerations into its business strategy and operations.

However, ELP's internal control mechanisms have shown notable weaknesses, particularly in risk management, fraud prevention, and regulatory compliance. A key issue was the insufficient segregation of duties, which created opportunities for conflicts of interest and unauthorised transactions. Additionally, a recent data breach, attributed to inadequate cybersecurity measures, compromised sensitive customer information and exposed the company to potential legal and financial liabilities. These deficiencies not only pose serious legal and financial risks but also undermine investor trust and compromise operational integrity.

Business Model and Supply Chain of ELP

Main Business Model

Freight forwarding

Freight forwarding is a logistics service that involves the coordination and management of the transportation and shipment of goods on behalf of shippers. It encompasses a range of activities to ensure the efficient movement of cargo from the point of origin to the final destination, often across international borders. Freight forwarders act as intermediaries between shippers and various transportation services, handling tasks such as booking cargo space, managing documentation, arranging for customs clearance, and ensuring compliance with regulatory requirements. Their role includes selecting the most effective transportation routes and modes, negotiating rates with carriers, and providing tracking and coordination throughout the shipping process to ensure timely and cost-effective delivery.

Main strategic business units (SBUs)

Air Freight Import
Air Freight Export
Sea Freight Import
Sea Freight Export

Operational Mechanisms

ELP has established a sophisticated operational mechanism within its freight forwarding sector, aimed at enhancing efficiency, reliability, and customer satisfaction. This mechanism integrates advanced technologies, strategic partnerships, and streamlined processes to manage the complexities of global logistics and transportation.

1. Demand forecasting and planning

ELP begins by leveraging advanced data analytics and forecasting tools to anticipate freight demand. Accurate demand forecasting allows the company to optimise resource allocation, plan capacity, and manage inventory effectively. This proactive approach helps in minimising delays and ensures that ELP is well-prepared to handle fluctuations in cargo volumes.

2. Route optimisation

To ensure cost-effective and timely delivery, ELP employs sophisticated route optimisation software. This technology evaluates various factors, including traffic patterns, weather conditions, and delivery windows, to determine the most efficient routes. By optimising routes, ELP reduces transportation costs, improves delivery speed, and minimises the environmental impact of its operations.

3. Carrier management and coordination

ELP maintains a network of reliable carriers and shipping partners (air and sea) to facilitate seamless freight forwarding. The company selects carriers based on their performance, reliability, and cost-effectiveness. Through regular performance evaluations and strategic partnerships, ELP ensures that its carriers meet high standards of service and efficiency. Coordination with carriers is streamlined through integrated systems that facilitate real-time communication and tracking.

4. Cargo handling and documentation

Efficient cargo handling is crucial for maintaining the integrity and timely delivery of shipments. ELP utilises advanced warehouse management systems to oversee cargo handling processes, including loading, unloading, and inventory management. The company also ensures compliance with international documentation requirements, including bills of lading, customs declarations, and export/import permits. Accurate documentation is vital for smooth customs clearance and regulatory compliance.

5. Technology integration

ELP integrates cutting-edge technology into its freight forwarding operations to enhance visibility and control. The use of a centralised transportation management system (TMS) allows for real-time tracking of shipments, automated updates, and seamless communication between ELP, carriers, and customers. Additionally, data analytics tools provide insights into operational performance, enabling continuous improvement and strategic decision-making.

6. Customs and compliance management

Navigating customs regulations and ensuring compliance with international trade laws are critical aspects of freight forwarding. ELP's dedicated compliance team manages customs documentation, ensures adherence to regulatory requirements, and handles any issues that arise during the customs clearance process. By maintaining up-to-date knowledge of global trade regulations, ELP minimises the risk of delays and penalties.

7. Customer service and support

ELP prioritises exceptional customer service by providing clients with real-time updates on their shipments and addressing any inquiries or issues promptly. The company's customer service team is equipped with the tools and knowledge to offer personalised support, resolve problems efficiently, and ensure a positive customer experience throughout the freight forwarding process.

8. Sustainability initiatives

In alignment with its commitment to sustainability, ELP incorporates eco-friendly practices into its freight forwarding operations. This includes optimising transportation routes to reduce fuel consumption, using energy-efficient warehouse systems, and exploring alternative fuels and green technologies. ELP's sustainability initiatives contribute to reducing its carbon footprint and promoting environmental responsibility.

ELP's freight forwarding sector operates with a well-coordinated mechanism designed to maximise efficiency, reliability, and customer satisfaction. By integrating advanced technologies, maintaining strong carrier relationships, and prioritising compliance and customer service, ELP ensures the smooth handling of global shipments and upholds its reputation as a leader in the logistics industry.

Other Sectors and Supply Chain Management Process

The Supply Chain Management Committee at ELP is responsible for overseeing and optimising the company's supply chain operations. This committee ensures the efficiency and effectiveness of procurement, logistics, inventory management, and distribution processes. It focuses on streamlining supply chain activities, reducing costs, enhancing service levels, and implementing innovative practices to support ELP's strategic objectives. The committee's key roles include strategic planning, performance monitoring, risk management, and fostering collaboration with key stakeholders.

Optimising ELP's Supply

ELP stands at the forefront of the logistics industry, driving innovation and efficiency across its supply chain operations. In a sector where precision and adaptability are paramount, ELP's comprehensive approach to managing its supply chain across various sectors demonstrates its commitment to operational excellence and customer satisfaction.

1. Transportation and distribution

In the transportation sector, ELP leverages advanced technologies to optimise route planning and enhance fleet management. By utilising GPS tracking systems and real-time data analytics, ELP improves delivery accuracy, reduces transportation costs, and minimises delays. The company's investment in energy-efficient vehicles further supports its goal of reducing carbon emissions and operational costs. Additionally, ELP's strategic partnerships with carriers and logistics providers ensure a robust and flexible distribution network capable of handling varying volumes and demands.

2. Warehousing and inventory management

ELP's warehousing operations are characterised by state-of-the-art facilities equipped with automation technologies such as robotic picking systems and inventory management software. These technologies enhance inventory accuracy, streamline order fulfilment processes, and reduce storage costs. ELP employs a just-in-time inventory strategy to minimise excess stock and optimise warehouse space, ensuring that products are available when needed while reducing holding costs.

3. Procurement and supplier management

Effective procurement and supplier management are crucial components of ELP's supply chain strategy. The company implements a rigorous supplier selection process, focusing on factors such as reliability, cost-effectiveness, and quality. ELP maintains strong relationships with its suppliers through regular performance evaluations and collaborative partnerships. By integrating supplier management systems, ELP ensures timely procurement of materials and services, thereby reducing lead times and enhancing overall supply chain efficiency.

4. Technology and innovation

ELP is committed to integrating cutting-edge technologies to drive supply chain efficiency. The company employs data analytics and artificial intelligence to forecast demand, optimise inventory levels, and enhance decision-making processes. Additionally, blockchain technology is utilised to improve supply chain transparency and traceability, ensuring that every transaction is recorded accurately and securely. ELP's investment in technology not only streamlines operations but also enhances its ability to respond to market changes and customer needs.

5. Environmental and social responsibility

Sustainability is a core focus for ELP across its supply chain operations. The company actively works to reduce its environmental footprint by implementing green logistics practices, such as optimising transportation routes to reduce fuel consumption and investing in renewable energy sources for its warehouses. ELP also emphasises social responsibility, ensuring fair labour practices and ethical sourcing throughout its supply chain. By adhering to stringent environmental and social standards, ELP demonstrates its commitment to sustainable development and corporate responsibility.

6. Customer-centric approach

At the heart of ELP's supply chain strategy is a customer-centric approach. The company prioritises customer satisfaction by offering flexible delivery options, real-time tracking, and responsive customer support. ELP's ability to adapt to changing customer requirements and market trends is facilitated by its agile supply chain, which is designed to accommodate fluctuations in demand and ensure timely delivery of products.

ELP's comprehensive supply chain management across all sectors showcases its dedication to efficiency, innovation, and sustainability. By integrating advanced technologies, optimising processes, and maintaining strong relationships with stakeholders, ELP not only enhances operational performance but also ensures a high level of service for its customers. As the logistics industry continues to evolve, ELP's proactive approach to supply chain management positions it as a leader in delivering excellence and driving sustainable growth.

Concerns Raised at a Recent Board Meeting

At a recent board meeting, ELP decided to undertake a comprehensive review of its existing business model and future strategic implementation. The board's decision reflects a proactive approach to reassessing and refining ELP's operational strategies to better align with evolving market dynamics and growth opportunities. This thorough review aims to identify areas for improvement, optimise current processes, and establish a robust framework for future expansion and innovation. By re-evaluating its business model, ELP seeks to enhance its competitive edge and ensure sustained success in the logistics sector.

Additionally, the board has sought an industry analysis from experts to gain valuable insights and perspectives. This expert analysis will provide a deeper understanding of market trends, the competitive landscape, and emerging opportunities. By integrating these external insights into their strategic review, ELP aims to make informed decisions that will improve its business model and strategic direction, ensuring alignment with industry standards and positioning the company for future growth and resilience.

At the meeting, the board also expressed significant concern regarding the ongoing issues and poor financial performance of FY 2023/24 as it has been observed for the first time since the company's establishment. This concern underscores the urgency of addressing the underlying challenges and implementing effective measures to reverse the financial downturn. The board is committed to identifying the root causes of these performance issues and developing a strategic plan to enhance operational efficiency, financial stability, and overall growth. This proactive stance reflects their dedication to steering the company towards improved performance and long-term success.

Appendix 1: Financial Statements of Ecom Logistics PLC (ELP)

Ecom Logistics PLC (ELP) Statement of Financial Position

As at 31 March	2024	2023
	Unaudited	
	Rs. million	Rs. million
ASSETS		
Non-current assets		
Property, plant and equipment	7,390	4,903
Right-of-use assets	12,925	9,752
Intangible assets	5,225	3,835
Investment in associate	163	220
Financial assets	20	19
Deferred income tax assets	447	348
Total non-current assets	26,170	19,077
Current assets		
Inventories	265	292
Trade and other receivables	59,250	65,025
Prepayments and other assets	12,252	14,259
Financial assets	336	226
Income tax recoverable	5,268	4,096
Cash and cash equivalents	40,656	42,176
Total current assets	118,027	126,074
Total assets	144,197	145,151
EQUITY AND LIABILITIES		
Equity		
Stated capital	5,000	5,000
Reserves	15,250	15,250
Retained earnings	61,939	45,825
Equity attributable to equity holders	82,189	66,075
Non-current liabilities		
Borrowings and lease payables	16,741	15,134
Retirement benefit obligation	1,068	930
Total non-current liabilities	17,809	16,064

Current liabilities		
Borrowings and lease payables	15,062	25,258
Trade and other payables	24,203	28,520
Income tax liabilities	4,934	9,234
Total current liabilities	44,199	63,012
Total liabilities	62,008	79,076
Total equity and liabilities	144,197	145,151

Ecom Logistics PLC (ELP)
Statement of Profit or Loss

For the year ended 31 March	2024	2023
	Unaudited	
	Rs. million	Rs. million
Revenue from contracts with customers	447,352	576,772
Cost of sales	(371,302)	(449,882)
Gross profit	76,050	126,890
Other income	3,853	4,736
Selling and distribution expenses	(5,634)	(2,797)
Administrative expenses	(44,418)	(64,072)
Profit from operating activities	29,851	64,757
Finance costs	(983)	(884)
Finance income	67	58
Share of profit from associate (net of tax)	(61)	(211)
Profit before tax	28,874	63,720
Income tax expense	(7,466)	(22,150)
Profit for the year	21,408	41,570
Earnings per share (Rs.)	43	83

Ecom Logistics PLC (ELP)
Statement of Other Comprehensive Income

For the year ended 31 March	2024	2023
	Unaudited	
	Rs. million	Rs. million
Profit for the year	21,408	41,570
Other comprehensive income		
Actuarial gain/(loss) on defined benefit plans	79	(54)
Income tax effect	(24)	9
Share of other comprehensive income from associate (net of tax)	3	1
Other comprehensive income for the year, net of tax	58	(44)
Total comprehensive income for the year, net of tax	21,466	41,526

Appendix 2: Financial Statements of Ocean Shipping Line (Pvt) Ltd (OSL)

Ocean Shipping Line (Pvt) Ltd Statement of Financial Position

As at 31 March	2024	2023
	Unaudited	
	Rs. million	Rs. million
ASSETS		
Non-current assets		
Property, plant, and equipment	5,200	4,570
Capital work-in-progress (vessel dry dock work)	213	125
Investments in associate	432	387
Financial assets	56	20
Deferred income tax assets	-	192
Total non-current assets	5,901	5,294
Current assets		
Inventories	711	562
Trade and other receivables	1,325	983
Financial assets	323	246
Cash and cash equivalents	1,602	1,074
Total current assets	3,961	2,865
Total assets	9,862	8,159
EQUITY AND LIABILITIES		
Stated capital	1,250	1,250
Capital reserves	767	767
Retained earnings	(1,392)	(1,170)
Total equity	625	847
Non-current liabilities		
Long-term borrowings	5,500	5,192
Deferred income tax liabilities	225	-
Retirement benefit obligation	36	40
Total non-current liabilities	5,761	5,232
Current liabilities		
Trade and other payables	1,401	954
Short-term borrowings	1,677	1,020

Statutory payables	179	74
Accrued expenses	219	32
Total current liabilities	3,476	2,080
Total liabilities	9,237	7,312
Total equity and liabilities	9,862	8,159

Ocean Shipping Line (Pvt) Ltd
Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March	2024	2023
	Unaudited	
	Rs. million	Rs. million
Revenue	6,877	3,094
Direct operational expenses	(4,920)	(2,043)
Gross profit	1,957	1,051
Other income	472	230
Administrative expenses	(352)	(215)
Earnings from operations before depreciation	2,077	1,066
Depreciation	(177)	(162)
Profit from operating activities	1,900	904
Finance costs	(1,686)	(1,441)
Share of profit from associate	40	10
Profit before tax	254	(527)
Income tax expense	(72)	-
Profit after tax	182	(527)
Deferred tax adjustment for the year	(417)	(286)
Profit/(loss) for the year	(235)	(813)
Profit/(loss) for the year	(235)	(813)
Other comprehensive income		
Profit or loss on changes in actuarial assumption (net of tax)	8	(3)
Share of other comprehensive income of associate	5	5
Total other comprehensive income	13	2
Total comprehensive income	(222)	(811)
Earnings per share (Rs.)	(1.88)	(6.50)