



Financial Statements

FOR

THE PERIOD FROM 01/04/2025 TO 31/03/2026

STATE FERTILIZER COMPANY LTD.

LAKPOHORA SWARNAJAYANTHI MAWATHA

HUNUPITIYA

WATTALA

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Statement of Directors' Responsibilities

The Directors are responsible under Sections 150 (1), & 151 of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit & loss of the Company for the financial year.

The Directors are also responsible, under Section 148, for ensuring that proper accounting records are kept to enable for determination of financial position with reasonable accuracy, preparation of Financial Statements and audit of such statements to be carried out readily and properly.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards- SLFRS and Companies Act No. 07 of 2007.

Further, the Financial Statements provide the information required by the Companies Act.

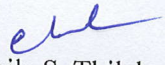
The Directors are of the opinion, based on their knowledge of the Company, key operations and specific inquiries, that adequate resources exist to support the Company on a going concern basis over the next year. These Financial Statements have been prepared on that basis.

The Directors have taken reasonable measures to safeguard the assets of the Group and, in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities. As required by Section 56 (2) of the Companies Act, the Board of Directors has authorised distribution of the dividend now proposed, being satisfied based on information available to it that the Company would satisfy the solvency test after such distribution in accordance with Section 57 of the Companies Act, and have sought in respect of the dividend now proposed, a certificate of solvency from the Auditors.

The Auditor General who was appointed by the Constitution of Democratic Socialist Republic of Sri Lanka was provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company as at the Balance Sheet date have been paid or where relevant, provided for.


Chamila S. Thilakarathna
Company Secretary
State Fertilizer Company Ltd.

A.M. Chamila Swarnamali Thilakarathne
Company Secretary
(RCS1 002067)
STATE FERTILIZER COMPANY LIMITED.
LAKROHORA SWARNAJAYANTHI MAWATHA,
HUNUPITIYA, WATTALA.

By Order of Board of Directors

Chairman's and Financial Manager's Responsibility Statement

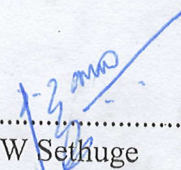
The Financial Statements of State Fertilizer Company Ltd. for the period ended 31st March 2026 are prepared and presented in compliance with the requirements of the following,

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka;
- Companies Act No. 07 of 2007;
- Code of Best Practice on Corporate Governance issued by General Treasury

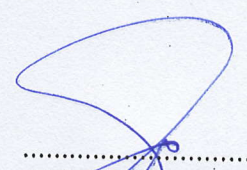
We confirm that the significant accounting policies used in the preparation of the Financial Statements are appropriate and are consistently applied, as described in the Notes to the Financial Statements. The prescribed Accounting Standards have been adopted without any deviations. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed our External Auditors.

We have also taken proper and sufficient care in installing systems of internal control and accounting records, to safeguard assets, and to prevent and detect frauds as well as other irregularities. These have been reviewed, evaluated and updated on an ongoing basis. Reasonable assurances that the established policies and procedures of the Company have been consistently followed were provided by periodic audits conducted by company's internal auditors. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Financial Statements were audited by the Auditor General of Democratic Socialist Republic of Sri Lanka.


.....
T.C.W. Sethuge
Chairman

T.C.W. Sethuge
Chairman
State Fertilizer Co. Ltd.
Ministry of Agriculture


.....
S.N.J. Wickremesinghe
Finance Manager

Shirantha Wickremesinghe
Manager Finance
State Fertilizer Company Ltd
Hunupitiya, Wattala.

STATE FERTILIZER COMPANY LIMITED
COMPREHENSIVE INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31/03/2026

(Expressed in Sri Lankan Rupees)

			(9 Months)	(12Months)
		31-03-2026	01-07-2024 to 31-03-2025	01-04-2024 to 31-03-2025
	NOTE			
Revenue	5	6,380,661,753	2,080,188,325	2,536,483,566.86
Government Subsidy	5 (i)	-	996,956,000	1,111,448,000.00
Cost of Sale	6	(5,557,534,645)	(2,539,789,471)	(3,043,243,900.67)
Gross Profit (Loss)		823,127,108	537,354,854	604,687,666.19
Other Income	7	14,718,149	14,797,595	64,348,341.36
		837,845,258	552,152,449	669,036,007.55
Administrative Expenses	8	(582,965,463)	(396,088,629)	(550,188,385.94)
Selling and Distribution Cost	9	(41,608,140)	(72,752,563)	(77,140,509.98)
Other Expenses				
Profit (Loss) from Operation		213,271,654	83,311,257	41,707,111.63
EBITDA		346,421,851	182,976,364	177,066,506.32
Retirement Benefit Payment				(679,758,757.28)
Net Finance Income	10	509,461,808	483,372,744	688,033,461.83
Finance Income		509,487,583	486,567,428	698,469,181.24
Finance Expenses		(25,775)	(3,194,684)	(10,435,719.41)
Profit (Loss) Before Tax		722,733,462	566,684,001	49,981,816.18
Income Tax Expenses	11	(181,111,634)	(181,458,275)	(213,673,141.05)
Net Profit for the year		541,621,828	385,225,727	(163,691,324.87)
Other Comprehensive Income (Expenses)				-
<i>Items that will never be reclassified to profit or loss</i>				(47,679,723.51)
Acturial Gain / (Loss) on Obligation		(14,282,922)	(2,906,003)	(2,906,003.00)
Deferred Tax Benefits / (Expenses) on Acturial Gain/Loss on Obligation		(6,121,252)	670,616	670,616.10
Impact from Property, Plant and Equipment Revaluation		-	-	
Deferred Tax Benefits / (Expenses) on Revaluation Surplus				
Total Other Comprehensive Income		(20,404,175)	(2,235,387)	(49,915,110.41)
Total Comprehensive Income for the Year		521,217,653	382,990,340	(213,606,435.28)
Basic Earnings per Share	12	8.99		

STATE FERTILIZER COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31/03/2026

(Expressed in Sri Lankan Rupees)

	NOTE	31-03-2026	(9 Months) 01-07-2024 to 31-03-2025	(12Months) 01-04-2024 to 31-03-2025
NON CURRENT ASSETS				
Property Plant and Equipments	13	6,431,906,633	6,567,724,077	13,228,181,926
Intangible Assets	14	1,366,846	1,035,953	1,723,453
		<u>6,433,273,480</u>	<u>6,568,760,030</u>	<u>13,229,905,379</u>
CURRENT ASSETS				
Inventories and other consumables	15	2,929,801,448	3,130,886,001	7,174,858,294
Trade and Other Debtors	16	9,318,625,858	17,218,951,331	39,997,121,014
Employees Loans and Advances	17	20,275,806	15,760,765	38,166,615
Investments in Government Securities	18	1,159,917,399	1,108,917,361	2,282,112,185
Investments in Fixed Deposits	19	4,593,459,919	5,624,948,774	11,089,734,673
Cash at Bank	20	618,800,282	469,706,969	1,089,955,890
TOTAL CURRENT ASSETS		<u>18,640,880,712</u>	<u>27,569,171,201</u>	<u>61,671,948,670</u>
TOTAL ASSETS		<u>25,074,154,191</u>	<u>34,137,931,231</u>	<u>74,901,854,050</u>
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Stated Capital	21	602,456,080	602,456,080	1,204,912,160
Revaluation & Capital Reserve	22	6,232,193,484	6,252,933,426	12,505,866,853
Retained Earnings		6,897,331,573	6,330,683,750	12,528,475,468
		<u>13,731,981,137</u>	<u>13,186,073,257</u>	<u>26,239,254,481</u>
NON CURRENT LIABILITIES				
Retirement Benefit Obligation	23	87,412,478	55,816,338	104,097,531
Government Grants	24	3,600,000	4,950,000	11,700,000
Deferred Taxation	25	527,580,175	611,164,128	1,196,724,209
Interest Bearing Borrowings	26	3,285,558,301	11,017,558,071	25,160,531,590
Long Term Payables	32	20,537,765	20,550,747	20,550,747
		<u>3,924,688,719</u>	<u>11,710,039,284</u>	<u>26,493,604,077</u>
CURRENT LIABILITIES				
Trade and Other Payables	27	2,223,916,519	4,559,135,753	8,359,067,751
Interest Bearing Borrowings	26	4,386,421,463	4,386,421,463	12,950,552,823
Deposits and Advances Received	28	465,335,237	6,131,246	146,815,202
Income Tax Payable	29	152,431,489	111,857,155	148,605,616
Accrued Expenses	30	189,379,626	48,223,455	329,670,840
Bank Overdraft		-	130,049,617	234,283,259
TOTAL CURRENT LIABILITIES		<u>7,417,484,334</u>	<u>9,241,818,689</u>	<u>22,168,995,491</u>
TOTAL EQUITY & LIABILITIES		<u>25,074,154,191</u>	<u>34,137,931,230</u>	<u>74,901,854,050</u>

I certify that these Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.

FINANCE MANAGER
S.N.J. Wickremesinghe

Shirantha Wickremesinghe
Manager Finance
State Fertilizer Company Ltd
Hunupitiya, Wattala.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These financial statements were approved by the Board of Directors and Signed on their behalf.

CHAIRMAN

T.C.W. Sethuge
Chairman
State Fertilizer Co. Ltd.
Ministry of Agriculture

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DIRECTOR

Director
State Fertilizer Company Limited
Lakpohora Swarnajayanthi Mawatha,
Hunupitiya, Wattala.

STATE FERTILIZER COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31/03/2026

(Expressed in Sri Lankan Rupees)

	SHARE CAPITAL	REVALUATION RESERVE	CAPITAL RESERVE	RETAINED EARNINGS	TOTAL
RETAINED BALANCE AT 01-04-2025	602,456,080	6,251,249,742	1,683,685	6,330,683,750	13,186,073,257
Comprehensive Income for the Year					
Net Profit/Loss for the Period	-	-	-	541,621,828	541,621,828
Other Comprehensive Expenses for the Year (Net of Tax)	-	-	-	(14,282,922)	(14,282,922)
Total Comprehensive Income for the Year	-	-	-	527,338,906	527,338,906
Dividend	-	-	-	(95,074,874)	(95,074,874)
Prior Year Adjustments	-	-	-	134,383,791	134,383,791
Asset Disposal		(20,739,938)		-	
RETAINED BALANCE AT 31-03-2026	602,456,080	6,230,509,804	1,683,680	6,897,331,573	13,752,721,079

Figures in brackets indicates deductions.

STATE FERTILIZER COMPANY LTD.
CASH FLOW STATEMENT
AS AT 31/03/2026

CASH FLOW STATEMENT	31-03-2026	31-03-2025
Cash Flows from Operating Activities		
Profit Before Taxation	722,733,462	566,684,001
Adjustments for;		
Depreciation	132,721,372	94,913,560
Debtors impairment provision	23,969,324	10,410,666
Fertilizer Written down value	167,962,252	
Impairment of Property, Plant and Equipment		
Amortization of Intangible Assets	428,825	4,751,547
Amortization of Government Grants	(1,800,000)	(1,800,000)
Profit on Sale of Property, Plant and Equipment	-	-
Loss on Sale/disposal of PPE	927,891	
Non Cash Movements (Intangible Assets reversal)	-	20,550,747
Gratuity Charge for the Year	11,191,965	6,830,700
Interest Income	(509,487,583)	(486,567,428)
Interest Expense	25,775	3,194,684
Prior Year Adjustements	-	(139,352,817)
Operating Profit Before Changes in Working Capital	548,673,283	79,615,660
Changes in Working Capital		
Inventories	33,122,302	913,086,291
Trade and Other Receivables	7,876,356,149	5,548,807,687
Deposits and Advances		
Employees Loans and Advances	(4,515,042)	6,645,086
Trade and Other Payables	(2,335,219,233)	759,203,754
Deposits and Advances Received	459,203,992	(134,552,707)
Accrued Expenses and Provision	141,156,171	(233,223,929)
Cash Generated from Operations	6,718,777,622	6,939,581,841
		-
Gratuity Paid	-	(1,530,942)
Interest Paid	(25,775)	(3,194,684)
Taxes Paid	(218,000,000)	(81,416,150)
Net Cash Flow from Operating Activities	6,500,751,847	6,853,440,065
Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(15,521,895)	(2,179,788)
Increasing the investment on working capital	(1,185,000)	
Acquisition of Intangible Assets	(2,144,124)	(5,100,000)
Proceeds from Sale of Property, Plant and Equipment	17,844,650	
Net Proceeds / (Investment) in Treasury Bills	-	
Net Investments in FDs	1,562,113,139	(95,885,412)
Interest Received	44,371,940	486,567,428
Net Cash used in Investing Activities	1,605,478,709	383,402,229
Cash Flows from Financing Activities		
Dividends Paid During the Year	(95,074,874)	(110,074,874)
Repayment of Lease Liabilities	-	
Borrowings During the Year		
Settlements of Borrowings During the Year	(7,732,012,752)	(7,303,125,345)
Net Cash used in Financing Activities	(7,827,087,627)	(7,413,200,219)
		-
Net Changes in Cash and Cash Equivalents During the Year	279,142,929	(176,357,926)
Cash and Cash Equivalents at Beginning of the Year	339,657,353	516,015,278
Cash and Cash Equivalents at End of the Year	(Note 6) 618,800,282	339,657,353

Figures in brackets indicates deductions.

1. REPORTING ENTITY

1.1 Domicile and Legal Form

State Fertilizer company is a fully government owned, Company coming under purview of the Ministry of Agriculture. The company was formed on 01/07/2024 by amalgamating the two esteemed state-owned fertilizer companies Ceylon Fertilizer company Ltd. and Colombo Commercial Fertilizer Company Ltd., under the cabinet decision nos. 21/0118/323/005, CP/22/0706/514/001 and 24/0925/612/019-I. The amalgamation process carried out by amalgamating the Colombo Commercial Fertilizer Company Ltd. with Ceylon Fertilizer Company Ltd. and thereafter changing the name of Ceylon Fertilizer Company Ltd. to State Fertilizer Company Ltd.

The Company is engaged in importation of chemical fertilizer, producing quality fertilizer mixture and marketing, distributing through island wide network of warehouses, and thereby catering to the fertilizer needs of Sri Lankan Farmers.

State Fertilizer Company Ltd. (the "Company") is a Limited Liability company registered under the companies Act No. 7 of 2007, and domiciled in Sri Lanka and is fully owned by the Government of Sri Lanka.

1.2 Principal Activities and Nature of Operations

The principal activity of the company is importing, Mixing and Distributing fertilizer required for paddy, tea, coconut, rubber and agriculture crops. The Head office is situated at Lakpohora Swarna Jayanthi Mawatha, Hunupitiya, Wattala, Sri Lanka.

1.3 Number of Employees

The total number of employees as at 31 March 2025 was 160. Prior to the amalgamation both companies had 419 employees in total. 259 employees were retired through a CRS plan at the amalgamation.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements are the first set of financial statements prepared following the amalgamation of Colombo Commercial Fertilizers Company Ltd. with Ceylon Fertilizer Company Ltd, which became effective on 01 July 2024.

The financial statements have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRSs), LKAS and the requirements of the Companies Act No. 07 of 2007.

The results, assets and liabilities of Colombo Commercial Fertilizers Ltd. have been included in the financial statements of the Company with effect from 01 July 2024, being the effective date of amalgamation. However comparative information contains the amalgamated financial statements of the above two companies for the period from 01/04/2024 to 30/06/2024 and restated financial statements as at 31/03/2024. Accordingly, the current period figures are not directly comparable with those of the previous period.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis, except when adequate disclosure is made with regard to the fair value under relevant notes. Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity. No adjustments have been made for inflationary factors affecting these Financial Statements. The financial statements, except for information on cash flows have been prepared following the accrual basis of accounting.

2.3 Going Concern

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

2.4 Functional and Presentation Currency

The financial statements of the Company are presented in Sri Lankan Rupees, which is the Company's functional currency. All financial information presented in Sri Lankan Rupee has been rounded to the nearest Rupee.

2.5 Use of Estimates and Judgments

The preparation of financial statements in conformity with SLFRSs /LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from those estimates and judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements are included in the following notes;

Note 3.2.4	- Impairment of financial assets
Note 3.6	- Impairment of financial and non – financial assets
Note 3.4	- Valuation of the property, plant and equipment and useful life
Note 3.7	- Inventory
Note 3.10 & 3.13	- Provisions and contingencies
Note 3.9	- Employee benefits
Note 3.15 (a)	- Current taxation
Note 3.15 (b)	- Deferred taxation

(i) Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data. (Unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

2.6 Materiality and Aggregation

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

STATE FERTILIZER COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

3.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currencies as of the reporting date are translated at the foreign exchange rates prevailing on the reporting date.

Non-monetary items, which are carried in terms of historical cost or fair value denominated in foreign currency, are translated using the exchange rate at the date of transaction. The resulting gains or losses on translation are recognized in the Statement of Profit or Loss.

3.2 Financial Instruments

3.2.1 Financial Assets (non-derivative)

Recognition and Initial Measurement

The Company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and Subsequent Measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost is comprised of trade and other receivables, amount due from related parties, cash and cash equivalents.

On initial recognition of a debt or equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Financial assets measured at FVOCI of the Company is comprised equity investments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Company does not have financial assets measured at FVTPL: as at the reporting date.

Financial Assets – Business Model Assessment

Initial recognition and measurement

Financial Assets are recognized when and only when, the company becomes a party to the contractual provisions of the financial instruments. The company determines the classification of its financial assets at initial recognition. When financial assets are recognized they are measured at fair value plus directly attributable transaction costs, however in the case of financial assets classified at fair value through profit and loss, directly attributable transaction costs are not considered

Classification and Subsequent measurement

At inception a financial asset is classified in one of the following categories.

- a. Held-to- Maturity Investment
- b. Loans and receivable
- c. At fair value through profit or loss.
- d. Available- for- sale

De- recognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

3.2.2 Financial Liabilities (Non-derivative)

Recognition and Initial Measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading at the initial recognition. Financial liabilities at FVTPL are measured at fair value and any resulting gains or losses, including any interest expense are recognized in profit or loss.

The Company classifies financial liabilities at initial recognition as other financial liabilities. At the end of the reporting period all classifications are re-evaluated to the extent that such classification is permitted and required.

All the financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Other financial liabilities mainly consist of trade and other payables, amount due to related parties and bank overdrafts.

Subsequent Measurement

Other financial liabilities are subsequently measured at amortized cost. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The amortized cost of a financial liability is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method minus any reduction for impairment.

De- recognition

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

3.2.3 Offsetting of Financial Assets and Liabilities

STATE FERTILIZER COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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

3.2.4 Impairment - Financial Assets (non – derivative)

Financial Instruments and Contract Assets

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost; and the Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or if the no. of days past due is 365 days.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

From 1st of April 2018, Company makes impairment provision for receivables based on the simplified approach to provide for expected credit losses (ECLs), which permits the use of the life time expected loss for all trade receivables. It has not resulted in a material change in – loss allowance compared with previous policy. The allowance is provided by considering evidence of impairment of receivables at individual asset level. All individually significant receivables are individually assessed for impairment by considering objective evidence i.e. experiencing a significant financial difficulty or default in payment by a customer.

The Company assesses at the end of each reporting period whether there is objective evidence that trade receivables is impaired. Objective evidences of impairment for trade receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments past the maximum credit period of 90 days. Trade receivables are impaired and impairment losses are incurred, only if there is objective evidence of impairment. All trade receivables are assessed individually for impairment.

The model and basis used to assess the trade receivables for impairment is as follows:

Individual Evaluation Model: Following types of trade receivables are reviewed individually to measure the impairment loss.

- i) Multi Purpose Co-operative Societies
- ii) Agrarian Service Centers
- iii) Authorized Dealers
- iv) Government Institutions and Departments

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off based on individual assessment.

With respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.3 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects

3.4 Property, Plant and Equipment

Recognition and Measurement

All items of property, plant and equipment are initially recorded at cost. Where items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed asset includes the cost of materials and direct labor, the initial estimate, when relevant of the cost of the dismantling and removing the items and restoring the site on which they are located and an appropriate proportion of overheads. The cost of acquisition includes purchase cost together with any incidental expenses incurred in bringing the assets to its working condition for the intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted as separate items of property, plant and equipment.

Expenditure on repairs or maintenance of property, plant and equipment made to restore or maintain future economic benefits expected from the assets has been recognized as an expense when incurred.

Subsequent Expenditure

Expenditure incurred to replace a component of an item of property plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognized in the statement of profit or loss as an expense as incurred.

Depreciation

Depreciation is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease terms and other useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease period.

The estimated useful lives for the current and comparative periods are as follows:

Description	Years
Buildings	30 years
Plant and Machinery	15 years
Motor Vehicles	8 years
Furniture and Fittings	5 years
Computers	4 years

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Office Equipment	4 years
Laboratory Equipment	15 years
Other Equipment	5 years
Right of Use Assets	Over the lease period

No depreciation is charged for Freehold land as it deemed to have indefinite life.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Capital – work – in Progress

Capital work in progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings and plant and machinery, awaiting capitalization. Capital work in progress would be transferred to the relevant asset when it is available for use.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. Borrowing cost includes foreign exchange differences to the extent that such differences are regarded as in adjustment to interest cost as permitted by the accounting standards.

Revaluation

The Company applies revaluation model for all classes of property, plant & equipment. Company's policy is to value these assets in every three to five years. As a result of revaluation if the carrying amount is increased, the increased amount is credited to equity under the heading of Revaluation Reserve. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to accumulated profits on retirement or disposal of the asset.

De - recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an item of property, plant and equipment is included in Statement of profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost is derecognized. When revalued assets are sold, any related amount included in the Revaluation Reserve is transferred to Retained Earnings.

3.5 Intangible Assets

a) Recognition and Measurement

Intangible assets that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Subsequent expenditure

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Profit or Loss as incurred.

b) Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

The estimated useful lives of intangible assets are as follows.

Software	5 years
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De - recognition

Intangible assets are derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset, is recognized in Profit or Loss in the year the asset is derecognized.

3.6 Impairment of Non – Financial Assets

The carrying amount of all non – financial assets, other than inventories and deferred tax assets, are reviewed each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The 'recoverable amount' of an asset is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from an active market, in an arms' length transaction of similar assets or observable market prices less incremental costs of disposing of the asset. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in Profit or Loss. Impairment recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss reversed only to the extent that the assets' carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss recognized in prior years.

3.7 Inventories

Inventories are valued at the lower of cost and estimated net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the selling expenses.

Inventories, comprising direct and mixed fertilizers, are stated at cost minus subsidy. The cost is determined using the first-in, first-out (FIFO) method. For mixed fertilizers, the cost includes raw materials, direct labor, other direct costs, and related production overheads. Locally purchased inventories are stated at the lower of cost or net realizable value. Net realizable value is defined as the subsidized value in the ordinary course of business, less applicable selling expenses. Consumables, general items and packing material are stated at cost or net realized whichever is lower.

3.8 Liabilities and Provisions

3.8.1 Liabilities

Liabilities classified as current liabilities on the statement of financial position are those, which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

3.8.2 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect 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.

3.9 Employee Benefits

a. Defined Benefit Plan – Retirement Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. As required by Sri Lanka Accounting Standard 19 - Employee Benefits, the Company has provided for gratuity liability based on the internally developed formula if actuarial valuation not carried out.

The company obligation in respect of defined benefit plan is the present value of the defined benefits obligation at the end of the reporting period. The defined benefits obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefits obligation is determined by discounting the estimated future benefit that employee have earned in return for their services in the current and prior period.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The company will re-measure the define benefit obligation when the amounts recognized in the financial statements will differ materially from the amount that would be determine at the end of the reporting period.

Past service costs are recognized immediately in the statement of comprehensive income.

However, according to the payment of Gratuity Act, No. 12 of 1983, the liability to an employer arises only on completion of five years of continued service.

The retirement benefits obligation is not externally funded.

b. Defined Contribution Plans

A defined contribution plan is a post employment benefit plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions. The contributions are recognized as employee benefit expense when they are due.

Employees' provident fund

The Company and Employees' contribute 15% and 8% respectively on the salary of each employee respectively. Said provident fund is being managed by the Central Bank of Sri Lanka.

Employees' trust fund

The company contributes 3% of the salary of each employee to the Employees' Trust Fund contributions to defined contribution plans are recognized as an expense in the statement of profit or loss as incurred.

3.10 Commitments and Contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital commitment and contingent liabilities of the Company are disclosed in the respective notes to the Financial Statements.

3.11 Events Occurring after the Reporting Date

The materiality of the events occurring after the reporting date have been considered and appropriate adjustments to or disclosure have been made in the financial statements where necessary.

3.12 Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer. Determining the timing of the transfer of control at a point in time or over time require judgment taking into consideration the nature of goods or services that Company offers.

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Some contracts include multiple deliverables. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under SLFRS 15
Sale of goods	Customers obtain control of goods when the goods are delivered and have been accepted by customers at their premises.	Revenue is recognized when the goods are delivered/dispatched and have been accepted by customers or at their premises.

Sales are measured at the fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Sales taxes) and variable consideration (e.g. discounts and rebates). The Company estimate an amount of variable consideration by using the expected value method which is the sum of probability weighted amounts in a range of possible considerations amounts.

Gains and losses on disposal of an item of property, plant & equipment

Profit or loss is determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognised net within "other income" in profit and loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

Gains and losses on the disposal of investments

Such gains and losses are recognized in profit and loss.

Interest Income

Interest is recognized on an accrual basis.

Other income

Other income is recognized on an accrual basis.

3.13 Expenditure

All expenditure incurred in running of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit for the year.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

The profit earned by the company before taxation as shown in the statement of profit or loss is after making provision for all known liabilities and for the depreciation of property, plant and equipment.

3.14 Finance Income and Finance Expenses

Finance income comprises in interest income and foreign currency gains during the year. Interest income recognized on effective interest rates as it accrues. Financing costs comprise interest payable on borrowings and foreign currency losses during the year. Interest expense recognized on effective interest rates as it accrues.

3.15 Income Tax Expense

Income tax expenses comprise current and deferred tax. Income tax expense is recognized directly in statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

a. Current Tax

The provision for current 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. The relevant details are disclosed in respective notes to the financial statements.

b. Deferred Tax

Deferred taxation is provided based on the liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The balance in the deferred taxation account represents, the tax applicable to the difference between the written down values of the assets for tax purposes on which tax depreciation has been claimed and the net book values of such assets & land revaluation, offset by the provision for retirement benefit which is deductible for current tax purposes only upon payment.

Deferred tax assets are recognized 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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.16 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Fertilizer subsidies relating to import costs are recognized in the statement of comprehensive income to match them with the costs that they are intended to compensate. Fertilizer subsidies to compensate for import costs already incurred are recognized as subsidy receivable where there is a reasonable assurance that the subsidy will be received.

Government grants relating to property, plant and equipment are included in noncurrent liabilities as deferred government grants and are recognized in the statement of comprehensive income on a straight- line basis over the expected lives of the related assets.

3.17 Basic Earnings per Share

The financial statements voluntarily present basic earnings per share (EPS) data for its ordinary shareholders.

The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.18 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged.

3.19 Statement of Cash Flows

The Statement of cash flows has been prepared using the “indirect method”.

Interest paid are classified as operating cash flows and interest received are classified as investing cash flows while dividends paid are classified as financing cash flows for the purpose of presenting of statement of cash flows.

3.20 Comparative Information

Previous year figures and phrases have been rearranged and reclassified wherever necessary to conform to the current year's presentation.

4. CHANGES IN ACCOUNTING POLICY

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Company has adopted the following amendments to standards from 1st April 2020, but they do not have material effect on these financial statements.

- Amendments to References to Conceptual Framework in SLFRS Standards; and
- Definition of Material (Amendments to LKAS 1 “Presentation of Financial Statements” and LKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”)

Change in Accounting Policy — Adoption of SLFRS 9 for Fixed Deposit Interest Income

Nature of the change

Prior to amalgamation two preceding companies have recognized interest income from investments in straight-line basis and according to EIR method and at amalgamation the total interest income was calculated on straight-line basis. With effect from 01/04/2026 the Company has adopted the effective interest rate (EIR) method prescribed under SLFRS 9 *Financial Instruments*, under which fixed deposits are classified as financial assets measured at amortised cost and interest income is recognised by applying the EIR to the gross carrying amount of each deposit. For investments which are less than one year’s maturity period interest was calculated on straight-line basis

Reason for the change

This change reflects the Company's transition to full SLFRS 9 compliance for financial asset measurement, replacing the previous straight-line practice which did not reflect the time value of money or the effective yield on each instrument. Management considers the EIR method provides more relevant and reliable information about interest income, consistent with the requirements of SLFRS 9.

Transition approach

In accordance with SLFRS 9.7.2.15, the Company has elected not to restate comparative information. The cumulative effect of initially applying the EIR method has been recognised as an adjustment to the opening balance of retained earnings as at 01/04/2026 with no restatement of prior period figures.

Quantitative impact (required under LKAS 8.28(f))

	Amount (Rs.)
Interest Receivable — carrying amount under previous policy (SLM) at 01/04/2026	288,159,600.70
Interest Receivable — carrying amount under SLFRS 9 (EIR) at 01/04/2026	271,129,706.81
Adjustment to opening retained earnings	17,029,893.89

This adjustment relates to fixed deposits and Treasury bills held as at 31/03/2025

Effect on current period, if determinable (LKAS 8.28(f)(i))

The effect of the change on interest income for the current period, compared to what would have been recognised under the previous straight-line policy, is an increase/decrease of Rs.

Change in Accounting Policy — Recognition of Withholding Tax (WHT) Receivable

Nature of the change

In prior years, WHT on fixed deposit interest was recognised on an accrual basis concurrent with the recognition of interest income (WHT Receivable Dr / Interest Income Cr), notwithstanding that the WHT was only actually withheld by the deposit-holding institution at the point of maturity or interest payment. From 01/04/2026 the Company recognises WHT receivable only when the tax is actually withheld, i.e. at the maturity/payment date of the deposit.

Reason for the change

Management has determined that recognising a WHT receivable prior to the point of actual withholding does not reflect a present right to a tax credit, since no obligation to withhold — and correspondingly no entitlement to a credit — arises under the Inland Revenue Act until interest is actually paid or credited by the financial institution. The revised policy aligns recognition with the point at which the receivable meets the definition and recognition criteria of an asset, and is considered to provide more reliable and relevant information.

Quantitative impact

	Amount (Rs.)
WHT Receivable balance derecognised at 01/04/2025	24,439,411.33
Adjustment to opening retained earnings	24,439,411.33

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

31-03-2026

31-03-2025

5 REVENUE			
Fertilizer Sale (Cash)		4,854,099,924	1,871,780,210
Fertilizer Sale (Credit)		1,526,561,828	208,408,115
		<u>6,380,661,753</u>	<u>2,080,188,325</u>
5 (i) Government Subsidy			
Government Subsidy		-	<u>996,956,000</u>
6 Cost of Sales			
Purchases	(Note 6.1)	5,143,032,079	1,456,718,979
Direct Expenses	(Note 6.2)	400,584,737	181,218,036
Cost of Production		5,543,616,816	1,637,937,014
Finish Goods as at 01 April		3,136,044,178	4,037,896,634
Finish Goods as at 31 March		(3,122,126,349)	(3,136,044,178)
		<u>5,557,534,645</u>	<u>2,539,789,471</u>

Inventories are measured at the cost and net realizable value. The cost of the finished goods is computed based on the FIFO cost method. Net realizable value represent the

6.1 Purchases

Fertilizer Imports	4,370,109,357	742,754,793
Local Purchase	629,108,990	764,032,810
Stevedoring Charges	-	2,006,477
Custom Duty and Charges	11,229,855	7,114,736
Sampling Charges	2,337,465	1,562,330
Transport and Handling Charges	54,614,744	13,182,473
Net Exchange Gain / Loss	-	-
Letter of Credits Charges	6,869,893	7,286,596
Packing Materials	68,880,821	26,441,719
Local Agency Commission	1,979	-
Shipping Guarantee Charges	(121,026)	-
Exchange (Gain) / Loss	-	-
Other Inventory direct cost	-	-
MOP Exp. Reimbursement	-	(107,662,957)
	<u>5,143,032,079</u>	<u>1,456,718,979</u>

6.2 Direct Expenses

Mixing Charges	68,006,299	22,188,853
Handling Charges	7,454,852	1,563,529
Labour Charges	61,418,837	43,459,513
Transport Charges to District Fertilizer Stores	96,237,498	114,052,346
Trading Stock (Excess) / Shortage	(495,000)	(46,205)
Fertilizer Stock Written Down expense (Note 6.2.1)	167,962,252	-
	<u>400,584,737</u>	<u>181,218,036</u>

6.2.1 Fertilizer Stock Written Down expense

During the financial year, the Company's fertilizer stocks held at Polonnaruwa and Mahiyanganaya were affected by Ditwa Cyclon, A portion of the stock was washed away and rendered unusable, while the remaining affected stock, though usable in fertilizer mixtures, suffered a reduction in quality that impacted its net realisable value.

In accordance with LKAS 2 Inventories, the affected inventory has been written down to its estimated net realisable value. Further, expired Organic Liquid and Solid Fertilizers' value were also written down to the market value. The write-down has been determined based on management's best estimate available as at the reporting date, using physical stock counts. This estimate will be reviewed and adjusted, if necessary, as further verification is completed, in accordance with LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Break-up of the Written down Value is as follows,

Provision for Effects of Ditwa Cyclone	-	63,951,738.94
Provision for Expired Organic - Liquid	-	74,805,427.00
Provision for Expired Organic - Solid	-	<u>29,205,085.92</u>

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

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STATE FERTILIZER COMPANY LTD.

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

	31-03-2026	31-03-2025
7 OTHER INCOME		
Circuit Bungalow Income	1,874,576	1,459,831
Liquidated Damages Income	-	1,673,061
Land Compensation	-	-
Sales of Polythene and WPP Bags	3,254,475	4,902,219
Non Refundable Tender Deposit Income	5,535,000	2,949,500
Amortization of Government Grant	1,800,000	1,800,000
Rent Income	6,525	6,300
Profit on Disposal of Property, Plant and Equipment / Scraps	-	-
Earnings from Transport	1,094,407	433,835
Laboratory Testing Income	-	6,800
Other Income	1,043,210	989,282
Earning from Farms	24,407	45,288
Claims against Bonds	85,550	531,480
	-	-
	14,718,149	14,797,595
8 ADMINISTRATION EXPENSES		
Directors and Board expenses	2,429,256	2,048,037
Employee Salaries	108,630,558.14	62,083,495
Employee Related Other	174,458,393	116,097,028
Electricity	12,504,390.91	8,960,693.69
Telephone, Fax, E-mail and Internet Charges	5,785,181.44	4,689,925.68
Water Bill	3,670,301.67	3,064,193.54
Insurance Related	879,379.27	769,274
Postage, Stationary and Periodicals	7,527,396.30	5,767,736
Legal, Professional and Consultancy Fees	4,480,865	2,547,375
Fines and Penalties	215,049.00	227,782.50
Security Charges	41,519,352.38	36,334,185.80
Office / Meeting Expenses	787,499	1,057,985
Public Notice Charges/Rates	3,481,170.00	2,670,010.00
Rent and Rates	985,629.65	651,329.30
Consumable / Maintenance Expenses	64,849,874.10	36,576,948
Depreciation	132,721,367	94,913,566
Amortization of Intangible Assets	428,825	4,751,547
Sanitary Facilities	3,832,324.13	3,372,070.10
(Over) / Under Provision of Recurrent Expenses	(298,300.00)	-
Audit Fees	2,182,400.00	1,855,080.00
Circuit Bungalow Expenses	187,846.50	178,858.90
Gardening and Landscaping Expenses	7,616,323.20	5,241,431.14
Natural Disaster Expenses	-	20,000.00
Laboratory Expenses	155,747.31	70,143.36
Other Expenses	2,747,084.50	1,757,561.82
Registration Fees	259,660	382,374
Loss on Asset disposal	927,890.82	-
	582,965,463	396,088,629

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

	31-03-2026	31-03-2025
9 SELLING AND DISTRIBUTION COST		
Advertising and Publicity Notices	1,744,117	43,823,457
Impairment of debtors	23,969,324	10,410,666
Vehicle Hiring Charges	7,399,000.00	6,748,230
Sales Commission	8,495,700	11,770,210
	41,608,140	72,752,563
10 Net Finance Income		
Interest Income		
Interest on Fixed Deposits and REPO Investments	508,854,217	211,432,909
Interest from Employees Loans	633,366	468,844
Interest Income From Trade Debtors		
	509,487,583	211,901,753
Interest Expenses		
Interest on Overdrafts/Loans	(25,775)	(7,241,035)
Net Finance Income	509,461,808	204,660,718
11 Income Tax Expenses		
Current Tax Expense	258,574,334	-
Deferred Tax Charge	(77,462,700)	-
	181,111,634	-
12 Basic Earnings per Share / Dividends per Share		
<i>Amount used as the Numerator</i>		
Net Profit Attributable to Ordinary Shareholders (Rs.)	541,621,828	141,078,916
<i>Number of Ordinary Shares used as the Denominator</i>		
Weighted Average number of Ordinary Shares in issue	60,245,608.000	60,245,608.00
Basic Earnings per Share	8.99	2.34

Basic Earnings per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

13 Property, Plant and Equipment

Cost	31-Mar-25	Additions	Transfers from ROU	Disposals	31-Mar-26
Land	4,132,684,959	-	-	-	4,132,684,959
Land - Under Leasehold Right	39,600,000	-	-	-	39,600,000
Biological Assets	3,084,100	-	-	-	3,084,100
Motor Vehicles - Under Leasehold Right	-	-	-	-	-
Buildings	2,197,592,623	-	-	-	2,197,592,623
Container Office	1,350,000	-	-	-	1,350,000
Plant and Machinery	33,791,055	4,097,789	-	(313,688)	37,575,157
Motor Vehicle	155,078,609	-	-	(19,450,000)	135,628,609
Furniture and Fittings	77,005,680	6,095,074	-	(536,250)	82,564,504
Office Equipment	29,510,033	696,988	-	-	30,207,020
Computer Equipment	50,782,914	-	-	(440,000)	50,342,914
Air Conditioners / Other	25,207,543	4,632,044	-	-	29,839,587
Total	6,745,687,515	15,521,895	-	(20,739,938)	6,740,469,472

Depreciation	31-Mar-25	Charge for the Year	Transfers from ROU	Disposal	31-Mar-26
Motor Vehicles - Under Leasehold Right	-	-	-	-	-
Buildings	84,085,219	73,253,087	-	-	157,338,306
Container Office	51,735	45,000	-	-	96,735
Plant and Machinery	3,275,105	2,403,707	-	(41,510)	5,637,302
Motor Vehicle	43,337,988	18,200,066	-	(4,237,260)	57,300,794
Furniture and Fittings	18,859,739	15,696,445	-	(202,747)	34,353,438
Office Equipment	8,800,014	7,451,157	-	-	16,251,172
Computer Equipment	16,345,526	12,658,359	-	(207,945)	28,795,940
Air Conditioners / Other	6,960,603	3,013,550	-	-	9,974,153
	181,715,929	132,721,372	-	(4,689,462)	309,747,839

Written Down Value	31-Mar-26	31-Mar-25
Land	4,132,684,959	4,132,684,959
Land - Under Leasehold Right	39,600,000	39,600,000
Biological Assets	3,084,100	3,084,100
Motor Vehicles - Under Leasehold Right	-	-
Buildings	2,040,254,316	2,113,507,404
Container Office	1,253,265	1,298,265
Plant and Machinery	31,937,854	30,515,950
Motor Vehicle	78,327,815	111,740,620
Furniture and Fittings	48,211,067	58,145,941
Office Equipment	13,955,849	20,710,018
Computer Equipment	21,546,974	34,437,388
Other	19,865,434	18,246,940
	6,430,721,633	6,563,971,585
Impairment	-	-
Capital Work-in-Progress	13.1 1,185,000	3,752,491
	6,431,906,633	6,567,724,077

13.1 Capital Work-in-Progress

	31-Mar-25	Expenditure Incurred	Amount Discontinued	31-Mar-26
Work Stations	19,590	-	(19,590)	0
Hambanthota Warehouse	3,732,901	-	(3,732,901)	(0)
Computer Software		1,185,000		1,185,000
	3,752,491	-	(3,752,491)	1,185,000

13.2 Asset Disposal

		Assets Disposed @ Ditwa Cyclone
Vehicle Disposal Proceeds Received	17,844,650	WDV of Assets 837,736
Net of VAT	15,122,585	Loss on asset disposal (837,736)
WDV of vehicles	15,212,740	
Loss on Assets disposal	(90,155)	Total Loss (927,891)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

The State Fertilizer Company Limited formally known as Ceylon Fertilizer Company Limited

- 13.2 The Company's Property, Plant & Equipment were revalued on 08 January 2024 by Mr. G.H.A.P.K Fernando (Chartered Valuation Surveyor) (Sri Lanka), incorporated valuer of The Institute of Valuers of Sri Lanka, a professionally qualified and independent valuer.

- 13.3 Details of land and buildings owned by the company are as follows:

Ownership Status	Location	Last Revaluation Date	Land Extend	Carrying value	
Lands				31-Mar-25	31-Mar-26
Freehold land carried at revalued amount	Main Office and Stores - Hunupitiya	08 January 2024	10A-2R-16.17P	4,132,684,959	4,132,684,959
			06A-3R-02.00P		
			03A-2R-10.71P		
			00A-2R-11.12P		
	Matale Regional Stores	08 January 2024	00A-1R-00.00P	-	
			00A-1R-00.00P	-	
			00A-1R-29.93P	-	
	Kurunegala Regional Stores	08 January 2024	00A-2R-39.67P	-	
	Leasehold land carried at revalued amount (Note 13.4)	Dodangoda Regional Stores	08 January 2024	00A-2R-00.00P	39,600,000

The amalgamated entity Colombo Commercial Fertilizer Company Limited

Land and property situated at Hunupitiya has not yet been vested to CCF. Under the shares of company were re-vested to the General Treasury, under Rehabilitation of Public Enterprises Act. No. 29 of 1996, from private management on 20th January 1997, the ownership of the said land was vested to Provincial Secretary Kalaniya. The process of obtaining the title of land which is originally belong to CCF is in progress.

The Company's Property, Plant & Equipment were revalued on 08 January 2024 by Mr. G.H.A.P.K Fernando (Chartered Valuation Surveyor) (Sri Lanka), incorporated valuer of The Institute of Valuers of Sri Lanka, a professionally qualified and independent valuer.

Ownership Status	Location	Last Revaluation Date	Carrying value	
Freehold building carried at revalued amount	Main Office and Stores - Hunupitiya	08 January 2024	716,152,071	402,631,910
	Container Office	08 January 2024	397,005	
			716,549,075	402,631,910

- 13.4 The land, revalued under leasehold rights and recognized, was obtained from the Divisional Secretary of Kalutara. This asset has not been depreciated, and no lease repayments are being made to the lessor. The remaining lease period is 66 years.

- 13.5 The land and buildings of several district fertilizer stores located in Polonnaruwa, Anamaduwa, Hingurakgoda, Akuressa, Matale, Kurunegala, Nuwara Eliya, Kegalle, Madawachchiya, Kuruvita, Dodangoda, Mathugama, Koggala, and Weeravila, which are used for operational activities, have not been recognized under property, plant, and equipment. The ownership or leasing arrangements of these assets are currently unclear. The company is in the process of formalizing contractual arrangements to transfer the legal title of these assets.

- 13.6 Fair value hierarchy and valuation technique and significant unobservable inputs.

Fair value hierarchy

The fair value of the property, plant and equipment was determined by external independent property valuer having appropriate recognized professional qualifications and recent experience in the location and category of the property, plant and equipment being valued.

The fair value measurement for all of properties has been categorised as Level 03 fair value based on the input to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of property, as well as the significant unobservable inputs used:

	Valuation technique	Significant unobservable inputs
Land	Market comparable approach method	Estimated open market price per perch
	Investment Method	Estimated Annual Income
Buildings	Market comparable approach method	Estimated cost per square feet

- 13.7 None of the property, plant or equipment have been pledged as security as at the reporting date.

- 13.8 The management has assessed the potential impairment indicators of property, plant and equipment as at 30 June 2024. Based on the assessment, the management does not foresee any indications of Impairment as at Company the reporting date.

STATE FERTILIZER COMPANY LIMITED

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

14 Intangible Assets	31-Mar-25	Additions	Removals	31-Mar-26
Cost				
Computer Software	31,676,980	2,144,124	(5,100,000)	28,721,104
	31,676,980	2,144,124	(5,100,000)	28,721,104
Amortization	31-Mar-25	Charge for the Year		31-Mar-26
Computer Software	26,925,433	428,825		27,354,258
	26,925,433	428,825		27,354,258
Written Down Value		31-Mar-26		31-Mar-25
Computer Software		1,366,846		1,035,953

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2026

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

	31-Mar-26	31-Mar-25
15 Inventories and other consumables		
Inventories		
Fertilizers	3,122,126,349	3,136,044,178
Consumables	17,363,252	30,675,898
Packing Materials	39,003,608	44,895,435
	3,178,493,209	3,211,615,510
Provision for Fertilizer Written Down	(167,962,252)	
Provision for Impairment of consumables	(80,729,509)	(80,729,509)
	2,929,801,448	3,130,886,001
16 Trade Debtors and Other Recieables		
Trade Receivable	(Note 16.1) 1,639,448,185	1,008,179,866
Less: Impairment of Trade receivable	(207,807,437)	(190,131,529)
	1,431,640,748	818,048,336
Net Trade Receivable	1,431,640,748	818,048,336
Other Receivables	(Note 16.2) 7,886,985,109	16,400,902,994
	9,318,625,858	17,218,951,330.77
16.1 Trade Recievables		
Government Departments	99,534,052	87,888,058.83
Subsidy Receivables	445,788,000	196,332,000.00
Debtors on Liquid Fertilizers	82,986,150	82,986,149.88
Agrarian Service Centers	886,630,198	515,625,263.59
Authorized Dealers	11,968,476	12,847,083.30
Other Receivables	1,413,371	1,433,370.66
Distributors	111,127,939	111,067,939.27
	1,639,448,185	1,008,179,865.53

Trade receivables have been tested for impairment. Certain trade receivables which balances are uncollectible are treated as impaired and adjustments have been made in financial statement on the basis as stated in note 3.8

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

16.2 Other Receivables

Treasury Grant		6,539,911,765.94	14,239,473,505
Treasury Receivables		756,533,943	1,348,109,613
Stock Losses	Note 01	7,933,189	7,933,189
Welfare Society		(0)	(71,681)
Refundable Deposits and Advances		21,825,340	7,154,445
Fixed Deposit Interest Receivable		355,571,264	448,772,653
Treasury Investment Interest Receivable		-	-
Shipping Guarantee		-	173,667,931
Import Purchase Advance		-	-
Sundry Debtors		27,528,293	3,416,108
WHT Receivable		48,409,750	24,439,411
Employee Advances		158,740	236,122
Recoverable Claim		1,396,714	1,396,714
Employee Medical Insurance Scheme		1,114,836	1,172,981
Prepayments		6,022,332	5,444,264
VAT Input		98,253,496	139,757,738
Others		22,325,447	-
		7,886,985,109	16,400,902,994

Note I : During the financial year 2015/16, an aggregate amount of Rs. 9,984,313.21 was identified as a stock shortage at the Pothuwil Stores. This adjustment was incorporated into the financial statements, net of recoveries. However, a subsequent internal investigation carried out by the Internal Audit Department, corresponding to stock movements in the same store, revealed evidence suggesting fraudulent transactions may have occurred prior to the financial year 2015/16.

As a result of this investigation, it was identified that an additional amount of Rs. 7,934,279 had been misappropriated, resulting in further stock shortages/losses for the company as of the date of signing these financial statements. In response, during the financial year 2017/18, the company initiated a civil case in the District Court of Gampaha to recover the total losses incurred, amounting to Rs. 14,796,235. However, subsequent recoveries have been made, and the carrying value is reported net of these recoveries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

	31-Mar-26	31-Mar-25
17 Employees Loans and Advances		
Festival Advances	826,000	141,000
Special Loans	100,000	-
Personal / Distress Loans	19,349,806	15,619,765
	20,275,806	15,760,765

Personal loans are measured at fair value using the interest rate of 4.2% instructed by the Government circular under procurement guidelines para XXIV subsection 3.8 since the company is covered under establishment code, the rate at which the loans have been granted is considered as the market interest rate for employees working at government organizations.

	31-Mar-26	31-Mar-25
18		
Treasury Bills	1,159,917,399	1,108,917,361

The investments in treasury bills are the investments made by the company from the additional funds and certain claims and compensation received to the company. Though, the management maintained these investments separately in the books of accounts, none of the investments are considered to be "Planned Assets" for any Retirement Benefits commitments.

	3/31/2026	3/31/2025
19		
Fixed Deposits	4,593,459,919	5,624,948,774

19.1 Former CFC company has entered into a Private Public Partnership agreement for purchasing of liquid fertilizer with Baylawn (Pvt) Ltd and, as per the agreement a credit facility, amounting to Rs. 112 Mn have been arranged to Baylawn (Pvt) Ltd by pledging a company's Fixed Deposit No. 00460010010802 / Rs. 240Mn. The outstanding balance of the facility as at 03rd March 2018 was 75.98 Mn.

19.2 The carrying amount of the fixed deposits have been measured at amortized cost in compliance with the LKAS 39 using Effective Interest Rate (EIR). Further, these investments are maintaining for short term liquidity requirements of the company rather being held for their maturity, therefore, these investments have been considered as "Loans and Receivables" financial assets in the financial statements.

19.3 Fixed deposits No. 17717 & 4087, total amounting to Rs. 228.80 Mn at the reporting date have been pledged against the Overdraft Facility of Rs. 206 Mn.

19.4 Fixed deposits No.75984713,76767521,76767537,76767440,81281476,17717and 40807, total amounting to Rs. 1104.1 Mn as at the reporting date have been pledged against the LC Bond Facility

	31-Mar-26	31-Mar-25
20 Cash and Cash Equivalents		
Favorable Balances		
Cash in Hand	957,810	632,810
Cash at Bank	243,242,472	364,474,159
Saving / Call Deposits (Ref: Note 19.4)	374,600,000	104,600,000
	618,800,282	469,706,969
Unfavorable Balances		
Bank Balance Overdraft		(130,049,617)
	618,800,282	339,657,353

21		
Number of Ordinary Shares Issued and Fully Paid	-	60,245,608

Ordinary Share Capital Issued and Fully Paid	602,456,080	602,456,080
--	--------------------	--------------------

22

The revaluation reserve relates to the revaluation surplus of property, plant and equipment, once the respective revalued assets have been disposed, portion of revalued surplus is transferred to retained earnings.

23	Retirement Benefits Obligation	Note	31-Mar-26	31-Mar-25
	Balance as at 01 April		55,816,339	48,281,193
	Expenses	23.1	11,191,965	6,830,700
	Payments Made During the Year		-	(1,530,942)
	(Gain) / Loss Arising From Changes in the Assumptions		20,404,175	2,235,387
	Balance as at 31 March		87,412,478	55,816,339
23.1	Expense Recognized in Comprehensive Income			
	Current Service Cost		5,052,168.00	2,485,393
	Interest Charge for the Year		6,139,797.29	4,345,307
			11,191,965	6,830,700

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

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Unaudited Financial Statements 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

23.2 Retirement Benefits Obligation Contd...

These assumptions developed by independent actuarial consultant are based on the management's best estimates of variables used to measure the retirement benefits obligation.

The principal assumptions used are as follows.

Discount Rate [%]	12.0	10.5
Future Salary Increases [Rs.] - Executive	10.0	1,150
Future Salary Increases [Rs.] - Other	10.0	240
Staff Turnover Factor [%]	0 - 5	1 - 2
Retirement Age [Yrs]	60	60

Actuarial Gain / Loss does not arise as the company has not done an actuarial valuation of the gratuity liabilities for the previous year.

In addition to the above, demographic assumptions such as mortality, withdrawal and disability are considered for the actuarial valuation. The 2007 mortality table issued by the London Institute of Actuaries (A 1967/70 mortality table) has also been used in the

The sensitivity of the present value of retirement benefits obligation (gratuity provision at the reporting date) to changes in the weighted principle assumptions by 1% are:

The Principle Assumptions	Sensitivity [%]		Changes in Gratuity Liability	
	Increase in 1%	Decrease 1%	Increase in 1%	Decrease 1%
Salary Escalation Rate [%]			145,012,851	130,437,566
Discount Rate [%]			129,892,018	145,699,546

24	Government Grants	31-Mar-26	31-Mar-25
	Balance as at 01 April	4,950,000	6,750,000.00
	Capital Grant Received	-	-
	Amortization of Government Grants	(1,800,000)	(1,800,000.00)
	Balance as at 30 June	3,600,000	4,950,000.00

The company have decided to amortize the grant received on lab equipment within 5 years.

25	Deferred Taxation	31-Mar-26	31-Mar-25
	Note		
	Balance as at 01 April	611,164,128	585,560,081
	(Charge) / Reverse for the Year	(77,462,700)	24,933,431
	Deferred Tax Expenses Recognised in OCI for Actuarial Gain	(6,121,252)	670,616
	Balance as at 31 June	527,580,175	611,164,128

25.1 The Analysis of Deferred Tax Assets and Liabilities**Deferred Tax Liability**

From Accelerating Depreciation and Amotization of Intangible Assets	690,753,677	709,167,340
	690,753,677	709,167,340

Deferred Tax Assets

From Retirement Benefits Obligation	(20,102,491)	(16,074,285)
From Retirement Benefit Plan (for Actuarial Gain / (Loss))	(6,121,252)	(670,616)
Deferred Tax Assets Arising accounting provisions	(136,949,759)	(81,258,311)
	(163,173,503)	(98,003,213)
	527,580,175	611,164,128

The deferred tax liability on revaluation gain for non-depreciable assets (land used for administrative purposes) should represent the current obligation to pay taxes in the future when the asset is sold. However, since there is no present obligation to sell the land, there is no current obligation to pay taxes. Therefore, no deferred tax liability is recognized for the revalued lands.

26	Interest Bearing Borrowings Short Term	31-Mar-26	31-Mar-25
	Balance as at 01/04/2025	15,403,979,534	22,707,104,878.93
	Obtained During the Year		
	Paid During the Year	(7,731,999,770)	(7,303,125,344.88)
	Balance as at 31st March 2026	<u>7,671,979,764</u>	<u>15,403,979,534.05</u>
	Non-current Portion	3,285,558,301	11,017,558,071.15
	Current Portion	<u>4,386,421,463</u>	<u>4,386,421,462.90</u>
		<u>7,671,979,764</u>	<u>15,403,979,534.05</u>

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAR 2026

	Note	31-Mar-26	31-Mar-25
27 Trade and Other Payables			
Trade Payables		140,740,482	306,005,265
Other Payables	27.1	2,083,176,037	4,253,130,487
		2,223,916,519	4,559,135,753
27.1 Other Payables			
Sundry Creditors		45,200,584	7,472,124
General Treasury		2,033,301,375	4,242,972,120
Statutory		3,037,367.33	2,686,243.32
Others		-	-
SSP Sales Control		1,636,711	0
Payable to SLPA		-	-
		2,083,176,037	4,253,130,487
28 Deposits and Advances Received			
Staff Security Deposits		1,639,666	4,276,364
Refundable Deposits		74,307,616	5,133,096
Receipt in Advance		364,645,351	(27,992,229)
Deferred Interest Income		-	-
Other Salary Payable		753,501	753,501
Excess on Sales		23,989,103	23,960,513
Subsidy Payable TSH		-	-
		465,335,237	6,131,246
29 Income Tax Payables			
Balance as at 01 April 2025		111,857,155	36,748,461
Provision for the Current Year		258,574,334	156,524,844
Self Assessment Payments Made During the Year		(218,000,000)	(81,416,150)
Under/Over Provisions		-	87,417,743
Withholding Tax (WHT) and notional tax Recoverable		-	(24,439,411)
Balance as at 31st March 2026		152,431,489	111,857,155
30 Accrued Expenses and Provisions			
Accrued Expenses		189,379,626	48,223,455
		189,379,626	48,223,455
31 Capital and Other Commitments			
No capital commitments were engaged during the year and outstanding as of the reporting date.			
32 Long Term Payables			
Payable to Organic Supplier		19,236,801	19,236,801
Retention Money		1,300,964	1,313,946
		20,537,765	20,550,747
33 Contingent liabilities			

The Company has contingent liabilities in respect of legal claims arising in the ordinary course of business. Unless recognized as a provision (Note 28), management considers these claims to be unjustified and possibility of an outflow of resources for their settlement is remote. This evaluation is consistent with legal advices of the company's legal division. Accordingly, no provision has been made for such legal claims.

However, a court case is pending as at the reporting date filed against the company by D.S.S Construction in relation to the construction bill outstanding net of tenders deposit recovered amounting to Rs. 7,243,400/- for the Road Construction carried out in the Head Office premise. Since, the legal proceeding is in the preliminary stage provision for legal claims or the losses could not be ascertained and no adjustments relating to the transactions have been recognized in the financial statements.

Case No. - CHC 96/2020/MR - Baylawn Co.Vs Ceylon Fertilizer Company Ltd

In terms of the agreement entered into in the year 2017 relating to the purchase of organic liquid fertilizer manufactured by Baylawn (Private) Limited and releasing it to the market under the brand name "Sanstha" through Ceylon Fertilizer Company Limited, a case has been filed in the Colombo Commercial High Court under Case No. CHC/481/2013/MR to recover a sum of Rs. 557,490,000.00, being the alleged loss incurred by Baylawn (Private) Limited due to the failure to purchase and sell its fertilizer products in accordance with the said agreement. In respect of the losses incurred by CFC arising from this transaction, our Company has filed a counterclaim in this case to recover Rs Mn1,297.00

Case No.s - CHC/481/2013/MR - Ceylon Fertilizer Company Ltd Vs K.S.R Wickremanayake, CHC/330/2014/MR- Ceylon Fertilizer Company Ltd Vs S.A Samantha

Both K.S.R Wickremanayake and S.A Samantha were SalesRepresentatives of CFC Ltd. Due to the misconducts made by these personnels during year 2005/06 on subsidy fertilizer stock losses, company has taken legal action against these two representatives claiming the market value of the above stock loss. The amounts are Rs. 122,398,095 and 118,758,893.50 sequentially.

The Amalgamated entity Colombo Commercial Fertilizer Company Limited

Transport charges to transport from CCF stores to miscellaneous Agrarian Services Centers and outstation CCF stores for a total sum of Rs. 3,522,255.43 has not been claimed from the year 2009 up to 2013 for unforeseen reason. CCF Ltd believes that these transporters will not lodge their claim in future for the recovery of the said amount. Since they have not been lodged their claim so far or submitted their bills for the payment, CCF Ltd believe that this unaccounted amount shall not be paid.

Case No.s DSP/300/2025 and DSP/299/2025

CCS Lanka Trading (Pvt) Ltd. has been selected through tender procedures for both Local and International s of fertilizer supply (2500MT of Urea). However due to non compliance with the conditions of the tender above legal cases have been filed against CCS Lanka Pvt. Ltd. The Performance Bank guarantees amounting to Rs. 69,762,663.00 in total for above two contracts have been forfeited by the company according to a Board decision taken against non compliance. The same was recorded as a current liability since CCS Lanka trading Ltd. has filed a legal case against the above bond forfeitutre and the probable outcome cannot be measured whether meets the >50% threshold limit yet. Under the Conceptual Framework and SLFRS 37 logic, we cannot recognize unconditional income on an asset (the bond proceeds) therefore the same is recorded as a liability.

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

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Unaudited Financial Statements 2025

State Fertilizer Company Ltd - Trial Balance as at 31/03/2026

Acc No	Category	Opening Balance(Rs)	Dr	Cr	Closing Balance
10000	Assets	Balance Sheet	-	-	-
10020	Assets	Assets	-	-	-
10030	Assets-FA	Non Current Assets	-	-	-
11000	Assets-FA	Property, Plant and Equipment	-	-	-
11100	Assets-FA	Property, Plant and Equipment - Cost	-	-	-
11110	Assets-FA	Land	4,172,284,959.46	-	4,172,284,959.46
11130	Assets-FA	Buildings	2,197,592,622.87	6,282,193.38	2,197,592,622.87
11132	Assets-FA	Office Container	1,350,000.00	-	1,350,000.00
11140	Assets-FA	Plant and Machinery	33,791,054.92	4,097,789.20	37,575,156.62
11150	Assets-FA	Motor Vehicles	155,078,608.50	-	135,628,608.50
11160	Assets-FA	Furniture and Fittings	77,005,680.20	6,095,074.38	82,564,504.58
11170	Assets-FA	Office Equipment	29,510,032.40	9,055,048.52	30,207,020.28
11180	Assets-FA	Computers and Accessories	54,514,163.59	-	50,342,914.00
11190	Assets-FA	Other Equipment	4,324,002.00	8,363,293.59	12,687,295.59
11210	Assets-FA	Laboratory Equipment	17,152,291.00	-	17,152,291.00
11220	Assets-FA	Biological Assets	3,084,100.00	-	3,084,100.00
11300	Assets-FA	Accumulated Depreciation	-	-	-
11310	Assets-FA	Accum. Dep - Building	(84,085,218.93)	-	(157,338,306.35)
11320	Assets-FA	Accum. Dep - Plant and Machinery	(3,275,104.72)	41,509.87	(5,637,302.26)
11322	Assets-FA	Accum. Depreciation - Container Office	(51,734.59)	-	(96,734.59)
11330	Assets-FA	Accum. Dep - Motor Vehicles	(43,337,988.33)	4,237,260.27	(57,300,793.85)
11340	Assets-FA	Accum. Dep - Furniture and Fittings	(18,859,739.05)	202,746.58	(34,353,437.83)
11350	Assets-FA	Accum. Dep - Office Equipment	(8,800,014.68)	730.14	(16,251,172.12)
11360	Assets-FA	Accum. Dep - Computers and Accessories	(16,345,526.52)	207,945.21	(28,795,939.92)
11370	Assets-FA	Accum. Dep - Other Equipment	(2,018,204.80)	3,430,458.20	(3,888,263.69)
11390	Assets-FA	Accum. Dep - Laboratory Equipment	(4,942,403.14)	-	(6,085,889.21)
11395	Assets-FA	Accum. Dep - Biological Assets	-	-	-
12000	Assets-FA	Capital Work in Progress	-	-	-
12110	Assets-FA	Capital Work in Progress	3,752,491.09	1,185,000.00	1,185,000.00
12115	Assets-FA	Capital Working Progress - FA Module	-	-	-
13000	Assets-FA	Investment Property	-	-	-
13110	Assets-FA	Circuit Bungalows	-	5,000.00	-
14000	Assets-FA	Intangible Assets	-	-	-
14110	Assets-FA	Computer Software - Cost	31,676,980.42	3,329,124.00	28,721,104.42
14120	Assets-FA	Accumulated Amortization - Computer	(30,641,027.24)	3,715,594.00	(27,354,258.04)
15000	Assets	Deferred Tax Assets	-	-	-
15110	Assets	Deferred Tax Assets	-	-	-
20000	Assets	Current Assets	-	-	-
21000	Assets-Inven	Inventories	-	-	-
21110	Assets-Inven	Inventory - Fertilizer Straight	3,136,044,177.51	5,122,671,301.72	3,122,126,348.69
21120	Assets-Inven	Inventory - Fertilizer Mixed	-	-	-
21130	Assets-Inven	Inventory - Fertilizer Organic	-	-	-
21140	Assets-Inven	Work in Progress - Fertilizer	-	-	-
21150	Assets-Inven	Inventory - Packing Materials	44,895,435.13	62,641,957.00	39,003,607.97
21160	Assets-Inven	Inventory - Consumables	30,675,897.77	27,185,411.70	17,363,251.87
21170	Assets	Non Moving Stock Adjustment	-	-	-
21180	Assets	Fixed Assets Inventory	-	-	-
21190	Assets	Inventory-Nursery	-	-	-
22000	Assets-TR	Trade Recievable	-	-	-
22110	Assets-TR	Government Department	87,888,058.83	329,563,940.00	99,534,051.62
22120	Assets-TR	A.S.C.	515,625,263.59	1,577,582,657.53	886,630,197.74
22130	Assets-TR	M.P.C.S.	993,423.39	-	993,423.39
22140	Assets-TR	Authorized Dealer	12,847,083.30	-	11,968,476.00
22150	Assets-TR	Distributors	111,067,939.27	60,000.00	111,127,939.27
22160	Assets-TR	Farmers Organization	-	-	-
22170	Assets-TR	Other (Private)	439,947.27	-	419,947.27
22610	Assets	Debtors on Loan	-	-	-
23000	Assets	Other Receivables	-	-	-
23110	Assets-OR	Debtors - S.L.P.A	(103,390.31)	24,058,984.32	23,955,594.01
23120	Assets-OR	Deposit in outside - General Deposit	5,177,839.61	120,000.00	4,389,339.61
23130	Assets-OR	Sundry Debtors	536,520.01	-	536,520.01
23135	Assets-OR	Sundry Receivables	-	22,325,447.00	22,325,447.00
23140	Assets-OR	Debtors Fertilizer Stock Shortage Local	7,933,189.30	-	7,933,189.30
23150	Assets-OR	Debtors Fertilizer Stock Shortage Impd	2,884,199.39	-	2,884,199.39
23155	Assets	Debtors Bayloan	-	-	-
23160	Assets-OR	Debtors - Other Shortage	70,824.40	53,400.00	124,024.40
23165	Assets	Receivable from Compulsory Retirement	-	-	-
23167	Assets-OR	Receivable from Employees - Medical	1,172,980.58	2,377,780.72	1,114,835.59
23170	Assets	Welfare A/C Debtors	(71,681.44)	501,157.44	(0.00)
23175	Assets	Salary Suspense	-	0.00	-
23180	Assets-OR	Treasury Subsidy - Paddy	14,239,473,505.45	107,501.87	6,539,911,765.94
23185	Assets-OR	Tresury Recievables	197,956,155.84	53,186,212.00	232,985,642.58
23190	Assets-OR	Treasury Other Crops Subsidy	523,548,300.67	-	523,548,300.67
23200	Assets	Receivable from RDA	-	-	-
23210	Assets-ER	Employee Other Receivables	-	200,000.00	100,000.00
23220	Assets	Shipping Gurantee	173,667,930.75	-	-
23230	Assets-OR	Interest Receivable	448,772,653.11	501,548,468.67	355,571,264.33

Acc No	Category		Opening Balance(Rs)	Dr	Cr	Closing Balance
23235	Assets-TR	Debtors Beylon	82,986,149.88	-	-	82,986,149.88
23240	Assets	Stock Cost - Surplus/Deficit	-	-	-	-
23250	Assets-OR	Cash Shortage - Stock Officer	27,955.00	-	-	27,955.00
23260	Assets	Unrealized Stock variance	-	-	-	-
23270	Assets	Receivable from Bank	-	-	-	-
23280	Assets-TR	Subsidy Receivable TSH	196,332,000.00	283,016,000.00	33,560,000.00	445,788,000.00
23290	Assets-OR	Treasury Receivable for MOP WFP(As	626,605,156.67	136,177,828.07	762,782,984.74	-
24000	Assets	Prepaid Expences	-	-	-	-
24100	Assets	Import Purchase Advance	-	4,356,223,960.19	4,356,223,960.19	-
24110	Assets	Local Purchase	-	381,038,125.00	381,038,125.00	-
24112	Assets	Transport	-	-	-	-
24120	Assets	Labour Payment	-	-	-	-
24130	Assets	Shipment Payment	-	-	-	-
24140	Assets-OR	Employee - Payment in Advance	236,122.00	6,791,964.40	6,869,346.90	158,739.50
24150	Assets-OR	Prepayments	5,444,264.23	12,685,611.94	12,107,544.58	6,022,331.59
24160	Assets-OR	Others Advance	1,976,605.78	273,808,389.40	258,348,995.18	17,436,000.00
24170	Assets	Security	-	-	-	-
24180	Assets-OR	Insurance	1,396,714.33	-	-	1,396,714.33
25000	Assets	Held-to-Maturity Investments	-	-	-	-
25110	Assets - TB	Treasury Bill Deposit - Retirement Ben	-	-	-	-
25120	Assets - TB	Treasury Bill Deposit - Fertilizer Insura	-	-	-	-
25130	Assets - TB	Treasury Bill Deposit - C.K. E-Comper	-	-	-	-
25140	Assets - TB	Treasury Bill Deposit - Claim Singha G	-	-	-	-
25150	Assets - TB	Treasury Bill - Riterirment Benifit Oblig	68,866,725.55	5,941,684.41	-	74,808,409.96
25160	Assets - TB	Treasury Bill - Fertilizer Insurance	492,439,866.75	42,087,753.00	-	534,527,619.75
25170	Assets - TB	Treasury Bill - C.K.E.Compensation	244,941,992.99	21,057,573.96	24,444,093.70	241,555,473.25
25180	Assets - TB	Treasury Bill-Claim Singha Group	302,668,775.62	25,711,019.11	19,353,898.99	309,025,895.74
25190	Assets - TB	TREASURY BILL-INVEST	-	220,000,000.00	220,000,000.00	-
26000	Assets	Statutory Recevable	-	-	-	-
26110	Assets	Income Tax	-	123,000,000.00	123,000,000.00	-
26120	Assets	Notional Tax	-	-	-	-
26130	Assets-OR	Withholding Tax	24,439,411.33	48,409,750.30	24,439,411.33	48,409,750.30
26140	Assets	Deferred Tax	-	-	-	-
27000	Assets-ER	Employee Loans and Advance	-	-	-	-
27110	Assets-ER	Employees Personal Loans	15,619,764.63	13,223,228.78	9,493,187.19	19,349,806.22
27120	Assets	Employee Motor Bicycle Loans (Field S	-	-	-	-
27130	Assets-ER	Employees Festival Advance	71,000.00	1,470,000.00	785,000.00	756,000.00
27140	Assets-ER	Employee Salary Advance	70,000.00	-	-	70,000.00
27150	Assets	Employees Other Loans	-	-	-	-
28000	Assets	Other Financial Assets	-	-	-	-
28100	Assets	Fixed Deposits	-	-	-	-
28110	Assets	People's Bank - Margin AC	-	-	-	-
28120	Assets	Bank of Caylon- Margin AC	-	-	-	-
28125	Assets	Sampath Bank - Margin Account	-	-	-	-
28130	Assets	Fixed Deposit - Siyapatha	-	-	-	-
28140	Assets	Fixed diposit DFCC	-	-	-	-
28150	Assets	Fixed Deposits	5,624,948,773.84	2,247,887,077.57	3,279,375,932.24	4,593,459,919.17
28160	Assets	Fixed Deposit-Bank of Ceylon	-	-	-	-
28170	Assets	Fixed Deposit-Sampath Bank	-	-	-	-
28500	Assets	Other Investments	-	-	-	-
28510	Assets	Call Deposit	104,600,000.00	820,000,000.00	550,000,000.00	374,600,000.00
28520	Assets	Deposit Against LC	-	-	-	-
28999	Assets	Other Financial Assets, Total	-	-	-	-
29000	Assets	Cash and Cash Equivalentents	-	-	-	-
29100	Assets	Saving Accounts	-	-	-	-
29110	Assets	National Savings Bank	3,894,731.83	82,990.85	2,747,399.78	1,230,322.90
29200	Assets	Current Accounts	-	-	-	-
29210	Assets	People's Bank - A/C 204501	40,050.00	-	40,050.00	-
29220	Assets	People's Bank - A/C 210919	509,171.91	-	34,040.01	475,131.90
29230	Assets	People's Bank - A/C 210920	11,010,842.54	5,395,249,797.33	5,395,510,842.02	10,749,797.85
29240	Assets	People's Bank - A/C 210921	2,250.00	50,000.00	52,250.00	0.00
29250	Assets	People's Bank Wattala - A/C 976515	14,830,218.10	-	14,830,218.10	-
29260	Assets	People's Bank Polonnaruwa - A/C 039	5,358,726.81	36,598,803.98	41,844,242.25	113,288.54
29270	Assets	Bank of Ceylon - Kollupitiya - A/C 1630	946,017.80	135,450.00	5,000.00	1,076,467.80
29280	Assets	Sampath Bank - A/C 000110057164	250.00	-	-	250.00
29290	Assets	Peoples' Bank A/C No-222-1-001-6-0	(130,049,616.89)	10,750,120,777.78	10,536,137,164.67	83,933,996.22
29300	Assets	Bank Of Ceylon A/C No. 135670	323,531,153.12	4,445,301,800.14	4,624,634,826.24	144,198,127.02
29310	Assets	Peoples' Bank Corporate A/CNo. 004-	1,642,866.01	3,499,983,538.06	3,500,161,314.66	1,465,089.41
29320	Assets	Peoples' Bank Corporate Branch A/C	2,707,881.12	-	2,707,881.12	-
29500	Assets -Cash	Cash in Hand	-	-	-	-
29510	Assets -Cash	Petty Cash Imprest	386,385.21	145,000.00	145,000.00	386,385.21
29520	Assets -Cash	Petty Cash - Managers	32,500.00	10,000.00	-	42,500.00
29525	Assets -Cash	Petty Cash Imprest - DFS	20,000.00	200,000.00	10,000.00	210,000.00
29530	Assets -Cash	Labour Imprest	193,925.00	195,000.00	70,000.00	318,925.00
29535	Assets	Prior Year Adjustments- Asset	-	2,156.00	2,156.00	-
29540	Assets	Staff Welfare Society	-	-	-	-
29545	Assets OPBL	SSP Sales Control	-	-	1,636,710.50	(1,636,710.50)
29699	Assets	Cash and Cash Equivalentents, Total	-	-	-	-
29999	Assets	Assets, Total	-	-	-	-

Acc No	Category	Opening Balance(Rs)	Dr	Cr	Closing Balance
30000	Equity	Equity and Liabilities	-	-	-
31000	Equity	Equity	-	-	-
31110	Equity	State Capital	(602,456,080.00)	-	(602,456,080.00)
31210	Equity	Revaluation Reserve	(6,251,249,741.84)	20,739,937.50	(6,230,509,804.34)
31220	Equity	Capital Reserve A/C	(1,683,679.83)	-	(1,683,679.83)
31310	Equity	Retained Earnings	(6,330,683,750.20)	195,666,906.77	(6,369,992,667.13)
40000	Liabilities	Liabilities	-	-	-
41000	Liabilities	Non Current Liabilities	-	-	-
41110	Liabilities-Loan	Long Term Loan	(11,017,558,071.15)	15,431,884,014.95	(3,285,558,301.32)
41210	Liabilities	Deferred Tax Liabilities	(611,164,127.88)	83,583,953.33	(527,580,174.55)
41310	Liabilities	Government Grant	(4,950,000.00)	1,800,000.00	(3,600,000.00)
42000	Liabilities	Current Liabilities	-	-	-
42110	Liabilities-TP	Creditors - Import	(15,186,100.28)	-	(15,186,100.28)
42120	Liabilities-TP	Creditors - Local	(14,054.79)	-	(14,054.79)
42130	Liabilities-TP	Creditors - Other	(278,718,110.36)	214,467,403.57	(109,144,826.64)
42140	Liabilities	Accrued Charges	(48,223,455.37)	32,334,676.01	(189,379,625.94)
42145	Liabilities-depd	Excess on Sales	(23,960,513.08)	-	(23,989,103.08)
42150	Liabilities	Retention Money	(1,313,946.42)	160,757.50	(1,300,964.11)
42160	Liabilities-depd	Staff Security Deposit	(4,276,364.37)	2,747,399.78	(1,639,666.08)
42170	Liabilities-SC	Sundry Salary Deduction	2,068.23	4,984,923.93	5,551.48
42180	Liabilities-depd	Refundable Performance Bond	(100,000.00)	8,050,510.61	(69,899,191.89)
42190	Liabilities-depd	Refundable Deposit	(5,033,096.11)	2,039,733.50	(4,408,423.61)
42200	Liabilities	Short Term Loans /People's Bank	(4,386,421,462.90)	-	(4,386,421,462.90)
42210	Liabilities-depd	Receipt in Advance	27,992,228.65	6,798,210,188.58	(364,645,350.63)
42211	Liabilities-depd	Receipt in Advance - Other	-	-	-
42215	Liabilities	Advance Received for Local Supplier	(19,236,800.63)	-	(19,236,800.63)
42220	Liabilities-TP	Creditors on Loan	-	-	-
42230	Liabilities-SC	Welfare Association	228,570.19	-	228,570.19
42240	Liabilities	Cashier Banking Excess	-	-	-
42250	Liabilities-Statu	PAYE Tax Payable	(409,481.34)	1,865,045.13	(64,567.36)
42260	Liabilities	VAT Control	139,757,737.60	1,145,065,011.37	98,253,495.87
42270	Liabilities-Statu	NBT Payable	162,896.66	-	162,896.66
42280	Liabilities-Statu	Stamp Duty Payable	(33,250.00)	82,075.00	(13,000.00)
42285	Liabilities-Statu	W.H.T Payable	-	-	-
42290	Liabilities-Statu	EPF Payable	(2,154,611.38)	34,655,129.23	(2,794,154.22)
42295	Liabilities-Statu	ETF Payable	(251,797.26)	4,132,809.60	(328,542.41)
42300	Liabilities-SC	Net Salary Payable	(0.01)	19,278.10	(0.01)
42305	Liabilities	Labour Cost Control	-	-	-
42310	Liabilities-Statu	Income Tax Payable	(111,857,155.20)	233,000,000.00	(152,431,489.20)
42320	Liabilities	ESC Payable	-	-	-
42330	Liabilities	Dividend Payable	-	95,074,874.47	-
42340	Liabilities	Retirement benefit obligation	(55,816,338.46)	-	(55,816,338.46)
42350	Liabilities	Provision for Impairment of Non-Movin	(80,729,509.00)	-	(80,729,509.00)
42360	Liabilities	Provision for the Impairment Trade Re	(190,131,529.06)	6,293,416.05	(207,807,436.69)
42370	Liabilities	Provision Impairment of Property, Plan	-	-	-
42380	Liabilities	Provision for Fertilizer Stock Written D	-	-	-
42390	Liabilities-SC	Provision for legal Claim	(2,857,678.80)	-	(2,857,678.80)
42400	Liabilities-Tre	Payble to Genaral Tresury	(4,242,972,120.08)	3,263,713,622.45	(2,033,301,375.27)
42410	Liabilities-SC	Medical Insurance Claim	(77,446.42)	-	(77,446.42)
42420	Liabilities-depd	Other Salary Division Payables	(753,501.26)	-	(753,501.26)
42430	Liabilities	Return Slip Account	-	-	-
42440	Liabilities	Return Cheque	-	-	-
42450	Liabilities	Unrealized Cheque	-	-	-
42460	Liabilities	Deffered Interest Income	-	-	-
42470	Liabilities-SC	Bank Excess and Shortage	(0.50)	-	(0.50)
42480	Liabilities-SC	Union Fees Payable	(4,325.00)	109,300.00	3,325.00
42490	Liabilities-SC	Welfare Society & Death Donation A/C	(180,750.00)	4,136,515.60	(3,150.00)
42500	Liabilities-SC	Salaries Control Account	(8,391.70)	121,715,915.00	20,596.64
42510	Liabilities-SC	Deposits Prior to Clearance	(4,690,442.79)	-	(4,690,442.79)
42520	Liabilities-SC	Long Term Loan Interest Control	116,273.11	1,196,047,416.75	1,196,163,689.86
42530	Liabilities	Short Term Loan Interest Control	-	-	-
42540	Liabilities-TP	Payable for Tea Fert Tansport	(12,087,000.00)	7,822,750.00	(16,395,500.00)
49989	Liabilities	Liabilities, Total	-	-	-
51000	Revenue	Revenue	-	-	-
51110	Revenue	Head Office - Subsidy Cash Sales	-	33,017,796.60	33,017,796.60
51120	Revenue	Head Office - Subsidy Credit Sales	-	5,458,474.58	5,458,474.58
51130	Revenue	Head Office - Other Crops Cash Sales	-	2,271,983.05	2,271,983.05
51140	Revenue	Head Office - Other Crops Credit Sales	-	-	-
51160	Revenue	Head Office - Mixing Cash Sales	-	6,650,593.22	6,650,593.22
51170	Revenue	Head Office - Mixing Credit Sales	-	13,116,525.43	13,116,525.43
51180	Revenue	DFS Subsidy Cash Sales	-	-	-
51190	Revenue	DFS - Other Crops Cash sales	-	-	-
51200	Revenue	DFS - Subsidy Credit sales	-	-	-
51210	Revenue	Discounts	-	-	-
51220	Revenue	DFS - Other Crops Credit Sales	-	-	-
51230	Revenue	DFS - Mixing Cash Sales	-	-	-
51240	Revenue	DFS - Mixing Credit Sales	-	-	-
51320	Revenue	Fertilizer Subsidy (Other Crops Subsidy)	-	-	-
51330	Revenue	Fertilizer Subsidy Paddy	-	-	-

Acc No	Category	Opening Balance(Rs)	Dr	Cr	Closing Balance
52000	Direct Cost	Cost of Sales	-	-	-
52110	Direct Cost	Cost of Sales - Straight	5,090,217,806.75	2,627,695.06	5,087,590,111.69
52120	Direct Cost	Cost of Sales - Mixture	-	-	-
52130	Direct Cost	Cost of Sales - Organic	-	-	-
52140	Direct Cost	Cost of Sales Nurserty	-	-	-
53000	Direct Cost	Purchases	-	-	-
53110	Direct Cost	Purchase -Chemical Fertilizer	-	-	-
53111	Direct Cost	Purchase -OrganicFertilizer	-	-	-
53131	Direct Cost	Purchase-Mixture	-	-	-
53135	Direct Cost	Purchase - Local	964,490,345.94	963,890,345.94	600,000.00
53140	Direct Cost	Purchase - Packing Materials	89,964,950.00	89,964,950.00	-
53150	Direct Cost	Purchase - Consumables	32,169,676.94	32,169,676.94	-
53160	Direct Cost	Purchase - Fixed Assets	-	-	-
53161	Direct Cost	Purchase - Fixed Assets - Buildings	-	-	-
53162	Direct Cost	Purchase - Fixed Assets - Plant and Machinery	-	-	-
53163	Direct Cost	Purchase - Fixed Assets - Motor Vehicles	-	-	-
53164	Direct Cost	Purchase - Fixed Assets - Furniture and Fittings	-	-	-
53165	Direct Cost	Purchase - Fixed Assets - Office Equipment	-	-	-
53166	Direct Cost	Purchase - Fixed Assets - Computers and Accessorie	-	-	-
53167	Direct Cost	Purchase - Fixed Assets - Other Equipment	-	-	-
53168	Direct Cost	Purchase - Fixed Assets - Laboratory Equipment	-	-	-
53999	Direct Cost	Purchases, Total	-	-	-
54000	Direct Cost	Direct Cost Applied	-	-	-
54110	Direct Cost	Direct Cost Applied - Straight	-	-	-
54130	Direct Cost	Direct Cost Applied - Organic	-	-	-
54140	Direct Cost	Direct Cost Applied - Packing Materials	-	-	-
54150	Direct Cost	Direct Cost Applied - Consumables	-	-	-
54160	Direct Cost	Direct Cost Applied - Fixed Assets	-	-	-
54170	Direct Cost	Direct cost applied-Nursery	-	-	-
54180	Direct Cost	Direct Cost Applied - Mixture	-	-	-
55110	Direct Cost	Insurance	-	-	-
55120	Direct Cost	Duty	-	-	-
55130	Direct Cost	Duty Surcharge	-	-	-
55140	Direct Cost	Port and Airport Development Tax	-	-	-
55150	Direct Cost	Discharging Expenses	-	-	-
55155	Direct Cost	Bagging Cost	-	-	-
55160	Direct Cost	Miscellaneous (Customs)	-	-	-
55170	Direct Cost	Stevedoring Charges	-	-	-
55180	Direct Cost	Landing Charges	-	-	-
55190	Direct Cost	Miscellaneous (Sri Lanka Port Authority)	1,978.79	1,978.79	-
55200	Direct Cost	Sampling Charges	116,552.54	116,552.54	-
55210	Direct Cost	Letter of Credit Charges	-	-	-
55220	Direct Cost	Transport and Handling Charges	-	-	-
55230	Direct Cost	Demurrage Charges	-	-	-
55240	Direct Cost	Shipping Guarantee	-	121,025.60	(121,025.60)
55250	Direct Cost	Bank Charges (STL)	-	-	-
55260	Direct Cost	Detention Charges	-	-	-
55270	Direct Cost	Local Agency Commission	-	-	-
55280	Direct Cost	Realized Exchange Gain/Loss	-	-	-
55290	Direct Cost	Unrealized Exchange Gain/Loss	-	-	-
55300	Direct Cost	Inventory Adj. - Fertilizer Straight	-	-	-
55310	Direct Cost	Inventory Adj. - Fertilizer Mixed	-	-	-
55320	Direct Cost	Inventory Adj. - Fertilizer Organic	-	-	-
55330	Direct Cost	Inventory Adj. - Packing Material	-	-	-
55340	Direct Cost	Inventory Adj. - Consumable	-	-	-
55370	Direct Cost	Packing Material Expenses	68,880,821.44	-	68,880,821.44
56000	Direct Cost	Direct Expences	-	-	-
56110	Direct Cost	Hand Mixing Charges	69,689,723.59	1,683,425.00	68,006,298.59
56120	Direct Cost	Plant Mixing Charges	-	-	-
56130	Direct Cost	Other Labour Charges	53,046,334.11	23,314,546.76	29,731,787.35
56131	Direct Cost	Fertilizer Loading H/O	14,607,957.00	250,190.00	14,357,767.00
56132	Direct Cost	Fertilizer Unloading_HO	16,891,121.50	489,393.00	16,401,728.50
56133	Direct Cost	Fertilizer Loading _DFS	554,370.96	58,723.28	495,647.68
56134	Direct Cost	Fertilizer Loading _DFS	464,708.44	32,802.00	431,906.44
56140	Direct Cost	Fertilizer Handling Charges	7,454,851.54	-	7,454,851.54
56150	Direct Cost	Wharf clearing and Transport to Hunupitiya	-	-	-
56160	Direct Cost	Fertilizer Outward Transport	196,301,747.08	100,064,249.38	96,237,497.70
56190	Direct Cost	Written Down of Fertilizer Stock	167,962,251.86	-	167,962,251.86
56200	Direct Cost	Fertilizer Stock Adjustment	-	-	-
56210	Direct Cost	Fertilizer Stock Shortage Import	-	-	-
56220	Direct Cost	Fertilizer Stock Shortage Local	45,000.00	540,000.00	(495,000.00)
60000	Income	Other Operating Income	54,367.63	356,410.21	(302,042.58)
60110	Income	Other Income	-	-	-
61110	Income	Sales of Polythene,Scrap and Outer Bags(Bulk)	-	-	-
61120	Income	Sales of WPP Bags	583,611.87	3,825,900.00	(3,242,288.13)
61130	Income	Used bag and Tarpaulin Income Employee	2,193.56	14,380.00	(12,186.44)
61140	Income	Liquidated Damages Income	-	-	-
61150	Income	Sundry Income	110,433.36	723,952.00	(613,518.64)
61160	Income	Claim against performance bond	-	85,550.00	(85,550.00)

Acc No	Category	Opening Balance(Rs)	Dr	Cr	Closing Balance
61170	Income	Claim against Bank Guarantee	-	-	-
61180	Income	Dispatch Money Earned	-	-	-
61190	Income	Rent Income	1,174.58	7,700.00	(6,525.42)
61200	Income	Income from Penalties (local)	34,226.69	161,875.00	(127,648.31)
61210	Income	Earning From Transport	196,993.22	1,291,400.00	(1,094,406.78)
61220	Income	Interest Income From Trade Receivable	-	-	-
61230	Income	Non Refundable Tender Deposit Income	-	5,535,000.00	(5,535,000.00)
61231	Income	Earning from Farms	4,393.22	28,800.00	(24,406.78)
61240	Income	Circuit Bungalow Income	414,711.86	2,289,288.13	(1,874,576.27)
61250	Income	Amortization of Government Grant	-	1,800,000.00	(1,800,000.00)
61260	Income	Assets Disposal	17,844,650.00	17,844,650.00	-
61270	Income	Laboratory Testing Income	-	-	-
61271	Income	Laboratory Other Income	-	-	-
61280	Income	PMS Excess	-	-	-
61290	Income	Overage Premium	-	-	-
61300	Income	Scrap Disposal	-	-	-
61310	Income	Income Government Grant	-	-	-
61320	Income	Land Compensation	-	-	-
61330	Income	Income from treasury to recover MOP O/H cost	-	-	-
61340	Income	Other Comprehensive Income	20,404,174.71	6,121,252.41	14,282,922.30
70000	Expenses	Administration Expenses	-	-	-
71110	Expenses	Directors Remuneration	2,395,956.00	20,700.00	2,375,256.00
71120	Expenses	Secretary Fees	54,000.00	-	54,000.00
71130	Expenses	Consultancy Fees	2,699,423.50	67,890.00	2,631,533.50
71140	Expenses	Audit Fees	2,662,880.00	480,480.00	2,182,400.00
71150	Expenses	Salaries - Head Office	125,554,449.70	16,923,891.56	108,630,558.14
71160	Expenses	Salaries - Production	-	-	-
71170	Expenses	Salaries - Employees of Contract Basis	-	-	-
71180	Expenses	OT, Meal Money and Bata	19,599,947.61	37,649.74	19,562,297.87
71181	Expenses	Other Allowance Salary	50,787,070.51	1,980.00	50,785,090.51
71190	Expenses	Allowances - Production	-	-	-
71200	Expenses	Traveling, Sub,meal money and Shift - HO	4,732,228.00	30,430.00	4,701,798.00
71201	Expenses	Traveling, Sub,meal money and Shift - Production	11,050.00	-	11,050.00
71210	Expenses	Tea and Dust Allowance - HO	518,675.00	-	518,675.00
71211	Expenses	Tea and Dust Allowance - Production	-	-	-
71220	Expenses	Annual Performance Incentive - Production	28,142,457.00	-	28,142,457.00
71221	Expenses	Annual Performance Incentive - Production	-	-	-
71230	Expenses	Clothing and Medical Allowance - HO	-	-	-
71231	Expenses	Clothing and Medical Allowance -Production	-	-	-
71240	Expenses	Medical Leave Payment - HO	10,107,999.86	56,110.00	10,051,889.86
71241	Expenses	Medical Leave Payment - Production	-	-	-
71250	Expenses	Bonus-HO	6,866,500.00	20,000.00	6,846,500.00
71251	Expenses	Bonus-Production	-	-	-
71260	Expenses	Fuel Allowance for Managers	4,974,751.45	13,985.57	4,960,765.88
71265	Expenses	Adjustment Allowances	-	-	-
71270	Expenses	Employee Compensation	-	-	-
71280	Expenses	EPF (Company 15%) - HO	27,544,096.60	6,496,322.77	21,047,773.83
71281	Expenses	EPF (Company 15%) - Production	-	-	-
71290	Expenses		-	-	-
71300	Expenses	ETF (Company 3%) -HO	4,834,394.51	624,839.76	4,209,554.75
71301	Expenses	ETF (Company 3%) -Production	-	-	-
71310	Expenses	Training and Scholarship	782,420.47	60,000.00	722,420.47
71320	Expenses	Staff Welfare -HO	309,265.60	30,604.00	278,661.60
71321	Expenses	Staff Welfare -Production	6,900.00	1,600.00	5,300.00
71322	Expenses	Exe. Weekend Allowance -HO	2,952,101.80	-	2,952,101.80
71323	Expenses	Exe. Weekend Allowance -Production	-	-	-
71324	Expenses	Allowances - Head Office	-	-	-
71325	Expenses	Allowances -Production	-	-	-
71326	Expenses	Payment for Short Leave-HO	-	-	-
71327	Expenses	Payment for Short Leave-Production	-	-	-
71330	Expenses	Staff Transport	-	-	-
71340	Expenses	Medical Insurance & Workman Componsation	16,444,618.97	10,537,842.60	5,906,776.37
71350	Expenses	Natural Disaster	-	-	-
71360	Expenses	Medical Expenses	20,014.56	-	20,014.56
71370	Expenses	Gratuity Payment	11,284,990.29	93,025.00	11,191,965.29
71380	Expenses	Technical Committee Meeting Payments	2,857,300.00	314,000.00	2,543,300.00
71390	Expenses	Employee Evaluation Expenses	-	-	-
71400	Expenses	Telephone,Fax,E-mail and Internet Charges	6,839,312.22	1,054,130.78	5,785,181.44
71410	Expenses	Electricity	13,448,212.04	943,821.13	12,504,390.91
71420	Expenses	Water Charges	4,044,262.82	373,961.15	3,670,301.67
71430	Expenses	Postage	516,653.00	25,328.00	491,325.00
71440	Expenses	Rent, Rates and Taxes	2,495,705.78	1,510,076.13	985,629.65
71450	Expenses	Temporary Stores Expenses (Rent Electricity Water)	-	-	-
71460	Expenses	Motor Vehicles Running Expenses	26,368,659.49	239,016.33	26,129,643.16
71470	Expenses	Motor Vehicle License and Insurance and Tax	953,476.93	-	953,476.93
71480	Expenses	Printing and Stationery	7,298,711.30	660,375.00	6,638,336.30
71490	Expenses	Books and Periodicals	397,785.00	50.00	397,735.00
71500	Expenses	Office Sundry (Miscellaneous) Expenses	2,370,218.24	1,416,051.24	954,167.00
71501	Expenses	Nursery Plant (Miscellaneous) Expenses	-	-	-

Acc No	Category	Opening Balance(Rs)		Dr	Cr	Closing Balance
71510	Expenses	Entertainment		820,376.14	32,877.00	787,499.14
71520	Expenses	Security Service Charges		50,481,819.74	8,962,467.36	41,519,352.38
71530	Expenses	Sanitary Facilities Charges		4,318,150.63	485,826.50	3,832,324.13
71540	Expenses	Gardening and Landscaping Expenses		8,516,876.77	900,553.57	7,616,323.20
71550	Expenses	Charity and Donation		-	-	-
71560	Expenses	Fire Insurance		968,532.31	1,042,629.97	(74,097.66)
71570	Expenses	Cash in Transit and Cash in Safe Insurance		-	-	-
71580	Expenses	Research and Development Expenses		4,520.00	1,200.00	3,320.00
71590	Expenses	Bank Charges		1,784,083.29	36,311.13	1,747,772.16
71600	Expenses	Debit Tax		-	-	-
71610	Expenses	Deferred Tax Charge		-	77,462,700.92	(77,462,700.92)
71620	Expenses	Income Tax		258,574,334.00	-	258,574,334.00
71630	Expenses	Economic Service Tax		-	-	-
71631	Expenses	Stamp Duty (Expense)		-	-	-
71640	Expenses	Devident Payment		-	-	-
71650	Expenses	Legal Fees		2,375,528.63	526,197.25	1,849,331.38
71655	Expenses	Fines and Penalty Expense		215,049.00	-	215,049.00
71660	Expenses	Public Notice Charges		4,678,330.00	1,197,160.00	3,481,170.00
71670	Expenses	Depreciation - Building		73,253,087.42	3,430,458.20	69,822,629.22
71675	Expenses	Depreciation - Container Office		45,000.00	-	45,000.00
71680	Expenses	Depreciation - Plant and Machinery		2,403,707.41	-	2,403,707.41
71690	Expenses	Depreciation - Motor Vehicles		18,200,065.79	-	18,200,065.79
71700	Expenses	Depreciation - Furniture and Fittings		15,696,445.36	-	15,696,445.36
71710	Expenses	Depreciation - Office Equipment		7,451,887.58	730.14	7,451,157.44
71720	Expenses	Depreciation - Computers and Accessories		12,658,358.61	-	12,658,358.61
71740	Expenses	Depreciation - Laboratory Equipment		1,143,486.07	-	1,143,486.07
71750	Expenses	Depreciation - Other Equipment		5,300,517.09	-	5,300,517.09
71760	Expenses	Depreciation - Biological Assets		-	-	-
71790	Expenses	Amortization - Computer Software		428,824.80	-	428,824.80
71800	Expenses	Provision for Retirement Benefit obligation		-	-	-
71810	Expenses	Provision For the Stock Officer Stock Shortage		-	-	-
71820	Expenses	Provision for Impairment PPE		-	-	-
71830	Expenses	Over/(Under) Provision of Recurrent Expenses		-	298,300.00	(298,300.00)
71840	Expenses	Provision for Legal Claim		-	-	-
71850	Expenses	Circuit Bungalow Expenses		253,496.50	65,650.00	187,846.50
71860	Expenses	Road Development Expenses		-	-	-
71870	Expenses	Building Maintenance		16,102,759.73	1,676,778.62	14,425,981.11
71880	Expenses	Plant and Machinery Maintenance		1,336,259.07	-	1,336,259.07
71890	Expenses	Motor Vehicles Maintenance		15,978,168.17	468,175.41	15,509,992.76
71900	Expenses	Furniture and Fittings Maintenance		17,420.00	-	17,420.00
71910	Expenses	Office Equipment Maintenance		2,724,462.93	625,672.30	2,098,790.63
71920	Expenses	Computers and Accessories Maintenance		842,302.27	93,969.09	748,333.18
71930	Expenses	Work Shop Tool Maintanance		3,801,200.32	-	3,801,200.32
71940	Expenses	Laboratory Equipment Maintenance		83,965.00	-	83,965.00
71950	Expenses	Other Equipment Maintenance		611,987.50	-	611,987.50
71960	Expenses	Software Maintenance		963,698.63	877,397.26	86,301.37
71990	Selling and Dis	Vehicle Rent Charges		7,984,500.00	585,500.00	7,399,000.00
72000	Expenses	Labortory Building Maitenance		-	-	-
72010	Expenses	Labortory Expenses		127,037.31	-	127,037.31
72020	Expenses	Loss on Asset Disposal		927,890.82	-	927,890.82
72030	Expenses	Inspection - Administration Related		41,825.34	-	41,825.34
72040	Expenses	Laboratory Equipment Insurance		-	-	-
72050	Expenses	Laboratory Chemical Expenses		28,710.00	-	28,710.00
72056	Expenses	Insurance Claim		-	-	-
72058	Expenses	Registration Fees		259,659.51	-	259,659.51
72060	Expenses	Invoice Rounding		-	-	-
72070	Expenses	Application Rounding		-	-	-
72080	Expenses	Actuarial (Gain)/Loss		-	-	-
72090	Expenses	compensation CRS		-	-	-
80000	Selling and Dis	Distribution Expences		-	-	-
81110	Selling and Dis	Advertisement and Sales Promotion		1,744,116.50	-	1,744,116.50
81120	Selling and Dis	Sales Commissions		8,495,700.00	-	8,495,700.00
81130	Selling and Dis	Impairment of Trade Receivables		23,969,323.68	-	23,969,323.68
81140	Selling and Dis	Write- Off of Bad and Doubtful Debts		-	-	-
81150	Expenses	Coporate Social Responsible		-	-	-
82000	Finance Incom	Interest Income		-	-	-
82110	Finance Incom	Bank Interest Earned		9,973,461.33	518,827,678.27	(508,854,216.94)
82120	Finance Incom	Employees Personal Loans Interest Income		8,997.91	642,363.83	(633,365.92)
83000	Finance Incom	Interest Expences		-	-	-
83110	Finance Expen	Bank Interest - Over draft		100,985.84	100,985.84	-
83120	Finance Expen	Bank Interest STL		25,801.79	26.75	25,775.04
83130	Finance Expen	Bank Interest - Loang Term Loan		-	-	-
84000	Finance Expen	Taxation		-	-	-
			0.00	77,661,067,533.46	77,661,067,533.46	0.00
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