



# ජාතික විගණන කාර්යාලය

## தேசிய கணக்காய்வு அலுவலகம்

### NATIONAL AUDIT OFFICE



මගේ අංකය } SPCG/HM/C/FA/SUGAR/  
எனது இல. } 2021/04  
My No. }

ඔබේ අංකය }  
உமது இல. }  
Your No. }

දිනය } 2023 සැප්තැම්බර් 05 දින  
திகதி }  
Date }

සහාපති,

සීමාසහිත ලංකා සීනි පුද්ගලික සමාගම

සීමාසහිත ලංකා සීනි පුද්ගලික සමාගමේ 2021 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් තෛතික හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

1. මූල්‍ය ප්‍රකාශන
- 1.1 මතය ව්‍යාචනා

සීමාසහිත ලංකා සීනි පුද්ගලික සමාගමේ 2021 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය කාර්යසාධන ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා මුදල් ප්‍රවාහ ප්‍රකාශනය සහ මූල්‍ය ප්‍රකාශන වලට අදාළ සටහන්, සාරාංශගත වැදගත් ගිණුම්කරණ ප්‍රතිපත්තිවලින් සමන්විත 2021 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාව සමඟ සංයෝජිතව කියවිය යුතු 2018 අංක 19 දරන ජාතික විගණන පනතේ සහ 1971 අංක 38 දරන මුදල් පනතේ විධිවිධාන ප්‍රකාර මාගේ විධානය යටතේ විගණනය කරන ලදී. ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (6) ව්‍යවස්ථාව ප්‍රකාරව මාගේ වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලැබේ.

සමාගමේ මූල්‍ය ප්‍රකාශන පිළිබඳව මම මතයක් ප්‍රකාශ නොකරමි. මතය විශාචනා සඳහා පදනම කොටසේ සාකච්ඡා කර ඇති කරුණුවල වැදගත්කම හේතුවෙන් මෙම මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් විගණන මතයක් සඳහා පදනමක් සැපයීමට ප්‍රමාණවත් හා උචිත විගණන සාක්ෂි ලබා ගැනීමට මා හට නොහැකි විය.

- 1.2 මතය ව්‍යාචනා සඳහා පදනම

(අ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 01 හි 117 ඡේදය ප්‍රකාරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේදී භාවිතා කරන වැදගත් ගිණුම්කරණ ප්‍රතිපත්ති හෙළිදරව් කළ යුතුය. සෙවනගල අංශයට අදාළ රු.327,173,332 ක ගොවි ණය සඳහා රු.20,907,356 ක් ද 2014 වර්ෂයේ සිට අයවිය යුතු කන්තලේ සීනි සමාගමේ රු.6,002,360 ක් හා SSP බදුල්ල ව්‍යාපෘතියේ රු.6,665,725 ක මුදල ද අඩමාන ණය වශයෙන් වෙන්කර තිබුණු නමුත්, එම වෙන් කිරීම්වලට හේතු වූ කරුණු හා අදාළ ගිණුම්කරණ ප්‍රතිපත්තිය මූල්‍ය ප්‍රකාශනවල හෙළිදරව් කර නොතිබුණි.

(ආ) පැල්වත්ත අංශයට අයත් පිරිවැය රු.2,986,477,786 ක් වූ කල්බදු වත්කම් ද සමඟ ක්ෂේත්‍ර යන්ත්‍ර හා උපකරණ, වාරිමාර්ග හා විවිධ උපකරණ සහ කර්මාන්තශාලා බලාගාරය හා උපකරණවල ක්ෂය අනුපාතයන් පිළිවෙලින් සියයට 15 ක් , 6 ක් හා 5 ක් වන නමුත්, එම වත්කම් වලට අයත් පිරිවැය රු.2,222,255,564 ක් වූ වත්කම් සියයට 2 ක් සියයට 50 ක් අතර විවිධ අනුපාතයන් යටතේ ක්ෂය කර තිබුණු බැවින් සමාලෝචිත වර්ෂයට අදාළ



- (ඇ) සෙවනගල හා පැල්වත්ත අංශවල වසර 08 කට අධික කාලයක සිට මූල්‍ය ප්‍රකාශනවල ඉදිරියට ගෙනෙමින් පවතින පිළිවෙලින් රු.9,475,416 සහ රු.4,904,160 ක් වූ මාර්ගස්ථ තොග සම්බන්ධයෙන් ඉකුත් වර්ෂවල විගණන වාර්තාව මහින්ද පෙන්වාදී තිබුණු නමුත් එම ශේෂයන් නිරවුල් කිරීමට කටයුතු කර නොතිබුණි.
- (ඈ) පැල්වත්ත සීනි කර්මාන්තයතනය රජයට පවරා ගැනීමේදී එයින් ඉවත්ව වෙනම ආයතනයක් ලෙස කිරි ආශ්‍රිත නිෂ්පාදන සිදු කරන ආයතනයකට, අයත් ට්‍රැක්ටර් 20ක් 2011 වර්ෂයේ සිට 2021 දෙසැම්බර් 31 දින දක්වා භාවිතා කිරීම වෙනුවෙන් එම ආයතනයට ගෙවිය යුතු රු.54,339,769 ක ශුද්ධ මුදල සහ එම ආයතනය විසින් සමාගමට අයත් නිල නිවාස භාවිතා කිරීම වෙනුවෙන් ලැබිය යුතු රු.19,034,850 ක් මූල්‍ය ප්‍රකාශනවල දැක්වෙන නමුත්, එම ශේෂ තහවුරු කර ගැනීම සඳහා බදු ගිවිසුම් හෝ ශේෂ සනාථන ලිපි විගණනයට ඉදිරිපත් නොකෙරුණි.
- (ඉ) සීමාසහිත ලංකා සීනි සමාගම රජයට පවරාගත් 2011 වර්ෂයේ සිට සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දින දක්වාම පැල්වත්ත අංශයේ මූල්‍ය ප්‍රකාශනවල වෙනත් තොග ශේෂයෙන් යල්පැන ගිය තොගය (Provision for obsolete stocks) වශයෙන් රු.9,251,437 ක් අඩුකර දක්වා තිබුණු නමුත් එම තොගය සම්බන්ධයෙන් කිසිදු තොරතුරක් විගණනයට ඉදිරිපත් නොකෙරුණි.
- (ඊ) සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනවල ඇතුළත් පැල්වත්ත අංශයට අදාළ නිෂ්පාදිත සීනි මත ගෙවිය යුතු රු.109,138,256 ක ජාතිය ගොඩනැගීමේ බදු (NBT) වටිනාකම තුළ 2012 – 2016 කාල පරිච්ඡේදයට අදාළව ගෙවිය යුතු රු.92,125,804 ක ජාතිය ගොඩනැගීමේ බදු මුදල් (NBT) දක්වා තිබුණු නමුත්, මෙම බදු සම්බන්ධයෙන් දේශීය ආදායම් දෙපාර්තමේන්තුව වෙත බදු වාර්තා ඉදිරිපත් කර නොතිබුණු බැවින් බදු මුදල්වල නිරවද්‍යතාවය විගණනයට සනාථ නොකෙරුණි.
- (උ) සමාලෝචිත වර්ෂයේ මූල්‍ය ප්‍රකාශන වල දැක්වෙන පැල්වත්ත අංශයේ ස්ථාපිත ස්කාගාර දෙපාර්තමේන්තුව යටතේ පිරිවැය රු.760,763,818 ක් වූ ස්ථාවර වත්කම් වල එක් එක් වත්කම් පන්තිවල එකතුව පමණක් ස්ථාවර වත්කම් ලේඛනයට ඇතුළත් කර තිබුණු බැවින්, වර්ෂයේ ක්ෂය වියදම හා ක්ෂය වෙන් කිරීම්වල නිරවද්‍යතාවය විගණනයට තහවුරු නොකෙරුණි.
- (ඌ) පැල්වත්ත අංශය භුක්ති විඳින හෙක්ටයාර 1.212 කින් සමන්විත බඩල්කුඹුර උක් මීලදී ගැනීම් මධ්‍යස්ථානයේ ඉඩමෙහි සිත්තක්කර අයිතිය සීනි සමාගමට නොතිබුණ නමුත් මූල්‍ය ප්‍රකාශනවල ඒ සම්බන්ධයෙන් හෙළිදරව් කර නොතිබුණි.
- (එ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත අංක 16 හි 51 ඡේදය ප්‍රකාරව ජංගම නොවන වත්කම්වල එලදායී ජීව කාලය වාර්ෂිකව සමාලෝචනය කළ යුතු වුවද, ඒ අනුව කටයුතු කර නොතිබුණු බැවින් තවදුරටත් භාවිතයේ පවතින සෙවනගල අංශයේ පිරිවැය රු.302,329,772 ක හා පැල්වත්ත අංශයේ පිරිවැය රු.1,568,073,020 ක දේපළ පිරියත හා උපකරණ සමාලෝචිත වර්ෂය අවසානය වන විට සම්පූර්ණයෙන්ම ක්ෂය කර අවසන්කර තිබුණි. ඒ අනුව මෙම ඇස්තමේන්තුගත දෝෂය ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත අංක 08 ප්‍රකාරව ප්‍රතිශෝධනය කර නිවැරදි ධාරණ අගය මූල්‍ය ප්‍රකාශනවල දක්වා නොතිබුණි.



- (ඒ) සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දිනට සෙවනගල අංශයේ ජංගම නොවන වත්කම් යටතේ ගිණුම්ගත කළ යුතු ස්ථාවර තැන්පතු ශේෂය රු.139,208,972 ක් වුවද, එය රු.100,000,000 ක් ලෙස දක්වා තිබුණු බැවින් මූල්‍ය තත්ත්ව ප්‍රකාශනයේ ජංගම නොවන වත්කම් රු.39,208,972 ක් අඩුවෙන් සහ ජංගම වත්කම් රු.39,208,972 ක් වැඩියෙන් දක්වා තිබුණි.
- (ඔ) සමාලෝචිත වර්ෂයේ භෞතික තොග සමීක්ෂණ වාර්තා අනුව සෙවනගල අංශයේ ගබඩාවන්හි රු.2,501,788 ක් වටිනා තොග අයිතම 137 ක උනතාවයක් හා රු.525,004 ක් වටිනා තොග අයිතම 158 ක අතිරික්තයක් නිරීක්ෂණය වූ නමුත්, ඒ සඳහා මූල්‍ය ප්‍රකාශනවල අවශ්‍ය ගැලපීම් කර නොතිබුණි. භෞතිකව සත්‍යාපනය කරන ලද වටිනාකම ගණනය කළ නොහැකි තොග වර්ග 1224 ක් ද, ප්‍රයෝජනයට ගත නොහැකි හා අපහරණය කළ යුතු රු.2,086,170 ක් වටිනා තොග අයිතම 211 ක් ද ගබඩාවේ පැවතුණි.
- (ඕ) සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දිනට සෙවනගල අංශයේ භෞතික තොග සමීක්ෂණ වාර්තාව අනුව තොග ශේෂය රු.1,749,751,577 ක් වුවද, මූල්‍ය ප්‍රකාශනවල එම වටිනාකම රු.1,525,094,872 ක් ලෙස අවසන් තොගය රු.224,656,705 ක් අඩුවෙන් දැක්වුණි.
- (ක) සමාලෝචිත වර්ෂයේදී පිරිවැය රු.178,203,240 ක් වූ යන්ත්‍රෝපකරණ 21 ක් මූල්‍ය කල්බදු පහසුකම් යටතේ සෙවනගල අංශය මිලදී ගෙන තිබුණු අතර ඒවායේ පිරිවැය රු.48,216,240 ක් ලෙස ප්‍රාග්ධනික කර තිබුණු බැවින් යන්ත්‍රෝපකරණ ගිණුමේ ශේෂය රු.129,987,000 ක් අඩුවෙන් දක්වා තිබුණි.
- (ග) 2018 වර්ෂයේදී ගින්තෙන් හානි වී තිබුණු පැල්වත්ත අංශයේ සීනි කැට බවට පත් කිරීමේ යන්ත්‍රයට අදාළ (Modification Automation Factory Plant) රු.14,990,488ක ගිනිහානි අලාභය සමාලෝචිත වර්ෂයේ වියදමක් ලෙස ගිණුම්ගත කිරීම නිසා වර්ෂයේ වියදම එම ප්‍රමාණයෙන් වැඩියෙන් ද එම අලාභය සඳහා 2019 වර්ෂයේ ලැබී තිබුණු රු.12,653,693 ක් වූ රක්ෂණ වන්දිය සමාලෝචිත වර්ෂයේ මුදල් ප්‍රවාහ ප්‍රකාශනය තුළ මුදල් ලැබීමක් ලෙස දක්වා තිබීමෙන් ආයෝජන ක්‍රියාකාරකම් වලින් ජනනය වූ මුදල් ප්‍රවාහය රු.12,653,693ක් වැඩියෙන් ද දක්වා තිබුණි.
- (ච) මූල්‍ය ප්‍රකාශන අනුව සෙවනගල අංශයේ ගොවිත්ගෙන් ලැබිය යුතු මුළු ණය මුදල් එකතුව රු.327,173,332 ක් වුවද ඊට අදාළව ඉදිරිපත් කර තිබුණු ගොවි ණය උපලේඛනය අනුව රු.324,818,149 ක් වූ බැවින් රු.2,355,183 ක වෙනසක් පැවතුණි.
- (ජ) සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දිනට පැල්වත්ත අංශයේ සේවා සැපයීම් අත්තිකාරම් ගිණුමේ රු.4,176,907 ක හර ශේෂයක් හා රු.4,229,336 ක බැර ශේෂයක් ද භාණ්ඩ සැපයුම් අත්තිකාරම් ගිණුමෙහි රු.4,768,688 ක බැර ශේෂයක් ද ගිණුම්කරණ පද්ධතියේ ගැටලු හා වෙනත් හේතු නිසා පැන නැගී තිබුණද, මෙම ශේෂය නිරවුල් කිරීමට කටයුතු කර නොතිබුණි.
- (ච) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 07 හි 07 වන ඡේදය ප්‍රකාරව සෙවනගල අංශයේ පැවති මාස 03 ක් හා ඊට අඩු කාලයකින් කල් පිරෙන රු.1,132,054,174 ක් වටිනා ස්ථාවර තැන්පතු 16 ක් මුදල් ප්‍රවාහ ප්‍රකාශනයේ මුදල් හා මුදල් සමාන දෑ ලෙස වර්ගකර ඉදිරිපත් කර නොතිබුණි.



- (ඩ) සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දිනට පැවති සෙවනගල අංශයට අයත් රු.35,049,485 ක දැවිතෙල් තොගය භෞතිකව සත්‍යාපනය කර නොතිබීම නිසා එම ශේෂයෙහි නිරවද්‍යතාවය තහවුරු නොවුණි.
- (න) පැල්වත්ත අංශයේ 2011 සහ 2012 වර්ෂවල සේවක අර්ථ සාධක අරමුදලේ සහ සේවක භාරකාර අරමුදලේ අධිභාර පැනවීම් වෙනුවෙන් අධි වෙන්කිරීම් ලෙස දැක්වෙන රු.13,658,977 ක් නිශ්චිතව හඳුනානොගෙන සමාලෝචිත වර්ෂය තුළ මූල්‍ය මෙහෙයුම් ප්‍රකාශනය මගින් කපා හැරීමෙන් වර්ෂයේ ලාභය එම ප්‍රමාණයෙන් වැඩියෙන් දක්වා තිබුණි.
- (ඔ) සෙවනගල අංශයේ පරිපාලන වියදම් යටතේ රු.11,664,393 ක් වූ අධිමාන ණය වෙන්කිරීම් මුදල් ප්‍රවාහ ප්‍රකාශනයේ බදු පෙර ලාභයට එකතු කර දක්වා නොතිබුණි.
- (ඊ) සෙවනගල අංශයට අදාළ රු.35,983,010 ක් වූ ලැබිය යුතු පොළී ආදායම මුදල් ප්‍රවාහ ප්‍රකාශනයේ ආයෝජන ක්‍රියාකාරකම් යටතේ ජනනය වූ මුදල් ප්‍රවාහයක් ලෙස දක්වා තිබුණි.
- (ඉ) පැල්වත්ත අංශයේ භාවිතාකරන ගිණුම්කරණ පරිගණක මෘදුකාංග පද්ධතිය නියමිත පරිදි ක්‍රියාත්මක නොවූ බැවින් ලබාගන්නා ලද ලෙජර් ගිණුම් ශේෂවල නිවැරදිතාවය තහවුරු නොවුණි.

ඉහත විස්තර කර ඇති පරිදි, මූල්‍ය තත්ත්ව ප්‍රකාශනයේ, මූල්‍ය කාර්යසාධන ප්‍රකාශනයේ, හිමිකම් වෙනස්වීමේ ප්‍රකාශනයේ සහ මුදල් ප්‍රවාහ ප්‍රකාශනයේ ඇතුළත් ප්‍රමාණාත්මක අයිතම විකල්ප ක්‍රම මගින් තහවුරු කිරීමට හෝ සත්‍යාපනය කිරීමට මට නොහැකි විය. මේ හේතුවෙන්, මූල්‍ය තත්ත්ව ප්‍රකාශනය, මූල්‍ය කාර්යසාධන ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය සහ මුදල් ප්‍රවාහ ප්‍රකාශනය සැකසෙන වටිනාකම් හෝ අයිතමයන්වල වාර්තාගත හෝ වාර්තා නොකළ වටිනාකම් හෝ ගණුදෙනු සම්බන්ධයෙන් කිසියම් ගැලපීමක් කිරීමට අවශ්‍යදැයි මට නිශ්චය කිරීමට නොහැකි විය.

**1.3 මූල්‍ය ප්‍රකාශන පිළිබඳ කළමනාකරණයේ සහ පාලනය කරන පාර්ශවයන්ගේ වගකීම්**

මෙම මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතීන්ට අනුකූලව පිළියෙල කිරීම හා සාධාරණ ලෙස ඉදිරිපත් කිරීම සහ වංචා හෝ වැරදි හේතුවෙන් ඇතිවිය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවනු පිණිස අවශ්‍ය වන අභ්‍යන්තර පාලනයන් තීරණය කිරීම කළමනාකරණයේ වගකීම වේ.

මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේදී, සමාගම අඛණ්ඩව පවත්වාගෙන යාමේ හැකියාව තීරණය කිරීම කළමනාකරණයේ වගකීමක් වන අතර, කළමනාකාරිත්වය සමාගම ඇවර කිරීමට අදහස් කරන්නේ නම් හෝ වෙනත් විකල්පයක් නොමැති විටදී මෙහෙයුම් නැවැත්වීමට කටයුතු කරන්නේ නම් හැර අඛණ්ඩ පැවැත්මේ පදනම මත ගිණුම් තැබීම හා සමාගමේ අඛණ්ඩ පැවැත්මට අදාළ කරුණු අනාවරණය කිරීමද කළමනාකරණයේ වගකීමකි.

සමාගමේ මූල්‍ය වාර්තාකරණ ක්‍රියාවලිය සම්බන්ධව පරීක්ෂා කිරීමේ වගකීම, පාලනය කරන පාර්ශවයන් විසින් දරනු ලබයි.

2018 අංක 19 දරන ජාතික විගණන පනතේ 16(1) උප වගන්තිය ප්‍රකාරව, සමාගමේ වාර්ෂික සහ කාලීන මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවන පරිදි ස්වකීය ආදායම්, වියදම්, වත්කම් හා බැරකම් පිළිබඳ නිසි පරිදි පොත්පත් හා වාර්තා පවත්වාගෙන යා යුතුය.







(ආ) ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ  
ආයතන සංග්‍රහය

(i) XIX පරිච්ඡේදයේ 5.1 ඡේදය

පැල්වත්ත අංශයේ නිලධාරීන්ගේ නිවාස සඳහා නිවාස කුලී අයකර නොතිබුණු අතර, එම නිවාසවල අළුත්වැඩියා හා නඩත්තු වියදම් සමාගම විසින් දරා තිබුණි.

(ii) XIX පරිච්ඡේදයේ 5.2 ඡේදය

සෙවනගල අංශය රජයට පවරා ගැනීමට පෙර සිට අය කරනු ලැබූ රු. 20 ක් රු. 85 ක් අතර මාසික නිවාස කුලී ගාස්තු වසර 11 කට අධික කාලයක සිට අයකරමින් පැවතුනි.

(iii) XIX පරිච්ඡේදයේ 5.8 ඡේදය

ජල බිල්පත් හා විදුලි බිල්පත් නිලධාරියා විසින් ගෙවිය යුතු වුවද සෙවනගල අංශයේ ජල පරිභෝජනය ඒකක 60 කට වැඩියෙන් භාවිතා කර ඇති අවස්ථාවලදී පමණක් නිලධාරියාගෙන් ගාස්තු අයකර ගැනීමත්, විදුලි පරිභෝජනය සඳහා මාසිකව රු. 250 ක සහනයක් ලබාදීමෙන් පසු ඉතිරි විදුලි බිල වැටුපෙන් අයකර ගැනීමත් තුළින් සමාගම විසින් පිරිවැය දැරීමේ ක්‍රමවේදයක් අනුගමනය කර තිබුණි. ඒ අනුව සමාලෝචිත වර්ෂයේ නිලධාරීන්ගේ නිවාසවල විදුලි ගාස්තු ලෙස රු.818,872 ක් සමාගම විසින් වැයකර තිබුණි.

(ඇ) 2003 ජුනි 02 දිනැති අංක PED/ 12 දරන  
රාජ්‍ය ව්‍යාපාර වකුලේඛයේ

(i) 8.2.2 ඡේදය

අතිරික්ත අරමුදල් ස්ථාවර තැන්පතු වල ආයෝජන කිරීම සඳහා මුදල් අමාත්‍යවරයාගේ එකඟතාවය හා අදාළ අමාත්‍යවරයාගේ අනුමැතිය ලබාගත යුතු වුවද, 2021 දෙසැම්බර් 31 දිනට සෙවනගල අංශයේ ස්ථාවර තැන්පතු 29 ක ආයෝජිත රු.1,754,403,649 ක් හා පැල්වත්ත අංශයේ ස්ථාවර තැන්පතු 11 ක ආයෝජිත රු.1,022,300,216 ක් සඳහා එකඟතාවය හා අනුමැතිය ලබාගෙන නොතිබුණි.



(ii) 8.3.3 ඡේදය

යොමුගත ඡේදයේ අවශ්‍යතා සපුරාලීමෙන් තොරව හා භාණ්ඩාගාරය අනුමත කරන ලද දිරිදීමනා යෝජනා ක්‍රමයක් නොමැතිව ප්‍රධාන කාර්යාලයේ සහ සෙවනගල හා පැල්වත්ත අංශ වල සමාලෝචිත වර්ෂයේදී රු.327,692,999 ක දිරිදීමනා ගෙවා තිබුණු අතර, සෙවනගල හා ප්‍රධාන කාර්යාලයේ රු.19,946,082ක ප්‍රසාද දීමනාද ගෙවා තිබුණි.

(iii) 9.2 ඡේදය

සමාගමේ කාර්ය මණ්ඩලය මහා භාණ්ඩාගාරය විසින් අනුමත කර නොතිබුණි.

(iv) 9.3 ඡේදය

රාජ්‍ය ව්‍යාපාර දෙපාර්තමේන්තුවේ එකඟතාවය මත බඳවා ගැනීමේ පරිපාටියක් අනුමත කරගැනීමෙන් තොරව නිලධාරීන් බඳවාගෙන තිබුණු බැවින් පවත්නා තනතුරු සංඛ්‍යාව, බඳවාගත් හා උසස්වීම් ලබා දුන් ක්‍රමවේදය හා වැටුප් පරිමාණයන්හි නිරවද්‍යතාවය පිළිබඳව විගණනයේදී පරීක්ෂා කිරීමට නොහැකි විය.

(ඇ) 2015 මැයි 25 දිනැති අංක PED 1/2015 දරන රාජ්‍ය ව්‍යාපාර වකුලේඛය

(i) 3.1 ඡේදය හා 3.2 ඡේදය

යොමුගත වකුලේඛය අනුව එකිනෙක තනතුර සඳහා මාසික උපරිම ඉන්ධන සීමාව ඉක්මවා ඉන්ධන මිලදී ගන්නේ නම් ඒ සඳහා වකුලේඛයේ 3.2 ඡේදය ප්‍රකාරව නිලධාරීන් සඳහා අධ්‍යක්ෂ මණ්ඩල අනුමැතිය ලබා ගත යුතු වුවත්, එසේ අනුමැතිය ලබා ගැනීමෙන් තොරව සෙවනගල අංශයේ නිලධාරීන් 9 දෙනෙකු සඳහා ඉන්ධන ලීටර් 5973.77 ක් මිලදී ගැනීමට රු.667,381 ගෙවා තිබුණි.



(ii) 3.8 சேடீய

නිල වාහන හිමි නිලධාරීන්ගේ පුද්ගලික ගමන් සඳහා රියදුරන්ට ගෙවන අතිකාල හා අනෙකුත් ඒකාබද්ධ දීමනා අදාළ නිල වාහන හිමි නිලධාරීන් විසින් දැරිය යුතු වුවද, ඊට අනුකූල නොවී සෙවනගල අංශයේ නිලධාරීන්ගේ පුද්ගලික ගමන් සඳහා යොදාගත් සමාගමේ නිල රථ සඳහා රියදුරන්ගේ යැපීම් දීමනා, ලැගුම් දීමනා හා අතිකාල දීමනා ලෙස සමාගම විසින් සමාලෝචිත වර්ෂයේදී රු.418,500 ක් වැය කර තිබුණි.

2.2.3 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (උ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ බලතල, කර්තව්‍ය සහ කාර්යයන්ට අනුකූල නොවන ලෙස කටයුතු කර ඇති බව.

2.2.4 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (ඌ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණ හැර සමාගමේ සම්පත් සකසුරුවම් ලෙස, කාර්යක්ෂම ලෙස සහ ඵලදායී ලෙස කාලසීමාවන් තුළ අදාළ නීතිරීති වලට අනුකූලව ප්‍රසම්පාදනය කර භාවිතා කර නොමැති බව

- (අ) අවශ්‍යතා නිසි පරිදි හඳුනා නොගෙන ගබඩා අයිතම මිලදීගෙන තිබුණු බැවින් රු.142,062,708 ක් වටිනා තොග අයිතම 6422 ක් වසර 05 ක් තුළ නිශ්කාර්යව ගබඩාවේ රඳවා තිබුණි.
- (ආ) පැල්වත්ත අංශය 2013 වර්ෂයේදී කල් බදු පහසුකම් යටතේ රු.128,910,000 ක ක්‍රෝන් යන්ත්‍රයක් මිලදීගැනීම සඳහා රු.120,750,000 ක මුදලක් හා ඊට අවශ්‍ය විදුලිය සැපයීමට රු.2,254,850 ක් වැය කර තිබුණි. එසේ වුවද, සැපයුම්කරු විසින් එකඟ වූ පරිදි එම යන්ත්‍රය කර්මාන්තායතනය තුළ ස්ථාපිත නොකිරීම හේතුවෙන් රු.123,004,850 ක පිරිවැයක් දරා තිබුණු මෙම යන්ත්‍රය ප්‍රයෝජනයට ගත නොහැකිව මිලදීගත් දින සිට නිශ්කාර්යව පැවතුනි.
- (ඇ) සෙවනගල අංශයේ කර්මාන්ත ශාලාවේ අවශ්‍යතාවය සඳහා රු.11,412,646 ක් වැයකර 2018 වර්ෂයේදී ඉන්දියාවෙන් ආනයනය කරන ලද විද්‍යුත් චුම්භක බෙදුම් උපකරණ (Electro Magnetic Separator) යන්ත්‍රය 2023 මැයි 09 දින වන විටත් ස්ථාපිත කර නොතිබුණු අතර, යන්ත්‍රය යෝග්‍ය තත්ත්වයෙන් පවතින බවට සමාගමේ ඉංජිනේරු විසින් සහතිකයක්ද නිකුත් කර නොතිබුණි. එමෙන්ම සමාලෝචිත වර්ෂයේ මූල්‍ය ප්‍රකාශන තුළ එම වටිනාකම මිලදීගැනීම් අත්තිකාරම් ලෙස ගිණුම්ගත කර තිබුණු අතර, 2023 මැයි 09 දින වන විටත් මෙම වත්කම භාවිතයට නොගෙන නිශ්කාර්යව පැවතුනි.

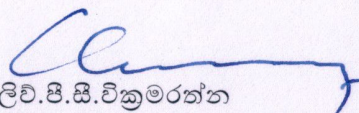
2.3 වෙනත් විගණන නිරීක්ෂණ

පහත දැක්වෙන කරුණු නිරීක්ෂණ විය.

- (අ) සෙවනගල අංශය වෙතින් උක් වගාව සඳහා ණය ලබාගත් ගොවීන් උක් වගාවෙන් බැහැර වී වෙනත් අනවසර බෝග වගාවන් සඳහා යොමුවීම හේතුවෙන් ගොවීන් 161 දෙනෙකුගෙන් අයවිය යුතු එකතුව රු.10,651,992 ක ණය ශේෂ අයකර ගැනීමට හා ගොවීන් නැවත උක් වගාවන් සඳහා යොමු කිරීමට අවශ්‍ය ක්‍රියාමාර්ග ගෙන නොතිබුණි. මෙම ණයවලින් රු.5,118,994 ක් වසර 05 කට වැඩි කාලයක සිට ද, රු.1,567,943 ක් වසර 3 ත් 5 ත් අතර කාලයක සිට ද අය නොවී පැවතුනි.



- (ආ) සෙවනගල අංශයේ භාවිතයෙන් ඉවත් කර ඇති වාහන 19 කට අදාළ රු.1,741,028 ක් වූ ද්‍රව්‍ය හා උපකරණ 617 ක් සහ වටිනාකම හඳුනාගත නොහැකි ද්‍රව්‍ය හා උපකරණ 60 ක් වෙන්දේසියේ විකිණීමට හෝ සුදුසු ක්‍රියාමාර්ගයකින් අපහරණය කිරීමට කටයුතු නොකර ගබඩාවේ රඳවා තිබුණි.
- (ඇ) පැල්වත්ත අංශය විසින් කාරක ප්‍රාග්ධනය මැනවින් කළමනාකරණය නොකිරීම හේතුවෙන් දිගින් දිගටම බැංකු අයිරා ලබාගෙන අයිරා පොළිය ගෙවමින් තිබුණු අතර ඉකුත් වර්ෂයේ හා සමාලෝචිත වර්ෂයේ අයිරා පොළිය පිළිවෙලින් රු.67,876,432 ක් හා රු.46,006,590 ක් ගෙවා තිබුණි. බැංකු ණය හා අයිරා පහසුකම් ලබාගැනීම සඳහා පැල්වත්ත අංශය සතු රු.893,541,770 ක ස්ථාවර තැන්පතු 09 ක් ඇපයට තබා තිබුණි.
- (ඈ) පැල්වත්ත අංශය විසින් කළමනාකරණ තීරණයක් මත 2012 වර්ෂයේ සිට ගොවි ණය සඳහා අයකරන සියයට 12 ක පොළී ආදායමෙන් සියයට 3 ක් ගොවීන්ගේ සුභසාධනය සඳහා ද, සියයට 1 ක් ආයතනයේ සුභසාධන කටයුතු සඳහා ද වෙන් කර තිබූ අතර 2021 දෙසැම්බර් 31 දිනට මූල්‍ය ප්‍රකාශන අනුව ගොවීන්ගේ සුභසාධන ගිණුම රු.104,595,757 ක්ද, ආයතනයේ සුභසාධන ගිණුම රු.34,930,417 ක්ද විය. එසේ වුවද, 2012 වර්ෂයේ සිට 2021 වර්ෂය දක්වා එලෙස වෙන් කරන ලද මුදල්වලින් කිසිදු සුභසාධන කටයුත්තක් සිදුකර නොතිබුණු අතර, එම සුභසාධන කටයුතු සඳහා මුදල් වෙන්කිරීම සඳහා වූ අධ්‍යක්ෂ මණ්ඩල අනුමැතිය විගණනයට ඉදිරිපත් කර නොතිබුණි.
- (ඉ) සෙවනගල අංශය විසින් 2018 වර්ෂයේදී ඉන්දියාවෙන් රු.9,564,866 ක් වටිනා වාෂ්පීකරණ යන්ත්‍රයක් (Evaporator) ආනයනය කර රු.3,924,394 ක රේගු ගාස්තු ගෙවා තිබුණි. ඒ සඳහා වන උපාංග (SS Tube) පිරිවිතරවලට එකඟ නොවීම මත ආපසු යවා 2019 වර්ෂයේදී නැවත ආනයනය කිරීමේදී ගෙවා තිබුණු රු.4,830,446 ක රේගු ගාස්තුව සැපයුම්කරුගෙන් අයකර ගැනීමට කටයුතු නොකිරීමෙන් එම වටිනාකම සමාගමට පාඩුවක් වී තිබුණු අතර එම රේගු ගාස්තුව ගෙවීමට අදාළ ලියකියවිලි සමාගම සතුව නොතිබීම හේතුවෙන් එම වටිනාකම ද විදේශීය ඇණවුම් අත්තිකාරම් වශයෙන් ගිණුම්ගත කර තිබුණි.
- (ඊ) සමාගමේ පැල්වත්ත අංශයේ හෙක්ටයාර් 4.607 ක ඉඩම් 4 ක පිරිවැය වූ රු.44,149,728 ක් ගිණුම්වල දක්වා තිබුණු නමුත් එයින් පිරිවැය රු.28,050,728 ක පැල්වත්ත හා ප්‍රධාන කාර්යාලය පිහිටි ඉඩම් (හෙක්ටයාර් 1.686 ක්) වල අයිතිය සමාගම සතුව නොතිබුණි.

  
 ඩබ්ලිව්.පී.සී.වික්‍රමරත්න  
 විගණකාධිපති



io  
s 8

LANKA SUGAR COMPANY (PRIVATE) LTD

FINANCIAL STATEMENTS

31st DECEMBER 2021



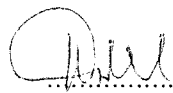
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
Year ended 31 December 2021

	Note	2021 Rs.	2020 Rs.
Revenue	4	12,284,072,648	8,977,744,960
Cost of Sales		(8,980,766,415)	(6,577,434,793)
<b>Gross Profit</b>		<u>3,303,306,233</u>	<u>2,400,310,167</u>
Other Income and Gains	5	131,844,225	75,470,299
Administrative Expenses		(2,225,033,118)	(1,606,748,697)
Finance Cost	6	(99,383,026)	(136,967,380)
Finance Income	6	139,852,967	205,442,274
<b>Profit/(Loss) before tax</b>	7	<u>1,250,587,280</u>	<u>937,506,663</u>
Income Tax Expense	8	(430,858,189)	234,394,951
<b>Profit/(Loss) for the year</b>		<u>819,729,092</u>	<u>1,171,901,614</u>
Other Comprehensive Income for the period, net of tax		11,065,754	(73,528,006)
<b>Total Comprehensive Income/ (Expense) for the period, net of tax</b>		<u><u>830,794,846</u></u>	<u><u>1,098,373,608</u></u>
Earnings/(Loss) Per Share	9	8,197,291	11,719,016

The Accounting Policies and Notes on pages 8 to 33 form an integral part of these financial statements.




ASSETS	Note	2021 Rs.	2020 Rs.
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	1,949,129,618	1,779,607,272
Non Current Investments	8	143,544,918	143,544,918
		<u>2,092,674,536</u>	<u>1,923,152,190</u>
<b>Current Assets</b>			
Inventories	11	2,615,688,812	2,289,521,389
Biological Assets	12	789,488,289	514,470,308
Trade and Other Receivables	13	278,508,110	304,115,965
Advances and Prepayments		144,086,904	107,304,297
Loans Due from Farmers	14	1,009,793,648	988,648,933
Amounts due from Related Parties	25.1	-	-
Investments	15	2,391,929,343	1,845,697,714
Cash and Cash Equivalents	21	915,068,381	207,959,927
		<u>8,144,563,488</u>	<u>6,257,718,533</u>
		<u>10,237,238,024</u>	<u>8,180,870,724</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	16	1,000	1,000
Government Grant	17	4,674,488,363	4,047,853,339
Accumulated Profits		1,535,883,362	732,431,689
<b>Total Equity</b>		<u>6,210,372,725</u>	<u>4,780,286,028</u>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	8	350,227,557	118,023,964
Retirement Benefit Liability	19	590,997,522	551,830,851
Interest Bearing Loans and Borrowings	18	292,250,498	91,172,712
		<u>1,233,475,577</u>	<u>761,027,527</u>
<b>Current Liabilities</b>			
Interest Bearing Loans and Borrowings	18	76,703,396	385,216,363
Trade and Other Payables	20	2,276,903,487	1,626,740,143
Income Tax Payable		336,791,816	138,137,217
Amounts due to Related Parties		(22,187,951)	1,220,220
Bank Overdraft		125,178,975	488,243,226
		<u>2,793,389,722</u>	<u>2,639,557,169</u>
<b>Total Equity and Liabilities</b>		<u>10,237,238,024</u>	<u>8,180,870,724</u>



Deputy General Manager - Finance

Deputy General Manager (Finance)  
 Lanka Sugar Company (Pvt) Ltd.  
 No. 27, Melbourne Avenue,  
 Colombo 04.

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by:



Director



Director

The Accounting Policies and Notes on pages 8 to 33 form an integral part of these financial statements.

**Major General (Rtd) SMSPB**  
 23rd January 2022  
 Chairman  
 Lanka Sugar Company (Pvt) Ltd  
 No 27, Melbourne Avenue  
 Colombo - 04

**Gamini Rasaputhra**  
 Director / Chief Executive Officer  
 LANKA SUGAR COMPANY (PVT) LTD  
 27, Melbourne Avenue,  
 Colombo 04.



# STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2021

	Stated Capital Rs.	Government Grant Rs.	Accumulated Profits Rs.	Total Rs.
<b>As at 1 January 2020</b>		4,047,853,339	(436,688,828)	3,611,164,511
Repayment of Government Grant	-	-	-	-
Revaluation of Plant and Machinery	-	-	-	-
Correction of Income Tax Liability -2018	-	-	70,746,906	70,746,906
Dividends Paid	-	-	g -	-
Profit/(Loss) for the year	-	-	1,171,901,614	1,171,901,614
Other Comprehensive Income	-	-	(73,528,006)	(73,528,006)
Total comprehensive income	-	-	1,098,373,608	1,098,373,608
<b>As at 31 December 2020</b>	-	4,047,853,339	732,431,686	4,780,285,025
Repayment of Government Grant	-	390,000,000	-	390,000,000
Adjustment Entry NBT Reversal	-	-	2,229,383	2,229,383
Prior Year Adjustments	-	-	(382,556)	(382,556)
Profit for the year	-	-	819,729,092	819,729,092
Funds Received from the Ministry -2020/21	-	236,635,024	(29,190,000)	207,445,024
Other Comprehensive Income	-	-	11,065,754	11,065,754
Total comprehensive income	-	236,635,024	801,604,846	1,038,239,870
<b>As at 31 December 2021</b>	-	4,674,488,363	1,535,883,359	6,210,371,722

The Accounting Policies and Notes on pages 8 to 33 form an integral part of these financial statements.



**STATEMENT OF CASH FLOWS**  
Year ended 31 December 2021

<b>Cash flows From / (Used in) Operating Activities</b>	<b>Note</b>	<b>2021 Rs.</b>	<b>2020 Rs.</b>
Profit/(Loss) before Taxation		1,250,587,280	937,506,663
Adjustments for,			
Depreciation	10	312,283,141	328,433,756
Loss on sale of property, plant and equipment			-
Finance Income	6	(139,852,967)	(205,442,274)
Finance Cost	6	99,383,026	136,967,380
Provision for Retirement Benefit Liability	19	77,131,418	76,763,005
Provision for farmer loans	11	17,959,364	31,181,775
Prior Year Adjustments		1,824,419	
Bad Debts		-	19,498,293
Operating Profit before Working Capital Changes		<u>1,619,315,682</u>	<u>1,324,908,598</u>
(Increase)/Decrease in Inventories		(326,167,423)	(627,991,913)
Increase in Trade and Other Receivables		(11,174,753)	(815,372)
Decrease in Loans Due from Farmers		(39,104,079)	(270,246,830)
Increase/(Decrease) in Related Party Payables		(23,408,171)	(13,042,238)
Increase/(Decrease) in Trade and Other Payables		<u>650,163,344</u>	<u>263,874,419</u>
Net Cash From Operating Activities		<u>1,869,624,599</u>	<u>676,686,664</u>
Income Tax Paid			(80,086,509)
Retirement Benefit Liability Paid	19	<u>(26,837,579)</u>	<u>(24,294,404)</u>
Net Cash Flows From Operating Activities		<u>1,842,787,020</u>	<u>572,305,751</u>
<b>Cash Flows From/(Used in) Investing Activities</b>			
Acquisition of Property, Plant and Equipment		(481,844,490)	(236,110,169)
Net (increase)/decrease in investments in Fixed Deposits		(546,231,629)	(349,114,920)
Investment in Biological Assets		(275,017,981)	(96,473,295)
Proceeds from the sale of Property, Plant and Equipment		-	-
Finance Income Received	6	<u>139,852,967</u>	<u>205,442,274</u>
Net Cash Flows Used in Investing Activities		<u>(1,163,241,133)</u>	<u>(476,256,110)</u>
<b>Cash Flows From / (Used in) Financing Activities</b>			
Loans/Finance Leases obtained		-	500,000,000
Loans settlements	18	(360,971,447)	(170,905,116)
Government Grants Received		597,445,024	
Principle payments under finance lease obligation	18	253,536,265	27,718,425
Interest paid	6	(99,383,026)	(136,967,380)
Dividends paid		-	-
Net Cash Flows Used in Financing Activities		<u>390,626,816</u>	<u>219,845,929</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<u>1,070,172,703</u>	<u>315,895,570</u>
<b>Cash and Cash Equivalents at the beginning of the year</b>	21	<u>(280,283,300)</u>	<u>(596,178,873)</u>
<b>Cash and Cash Equivalents at the end of the year</b>	21	<u><u>789,889,406</u></u>	<u><u>(280,283,300)</u></u>

The Accounting Policies and Notes on pages 8 to 33 form an integral part of these financial statements.



**1. CORPORATE INFORMATION**

**1.1 General**

Lanka Sugar Company (Private) Limited is an entity incorporated and domiciled in Sri Lanka. The Company was established as a private limited company after being vested by the government. The Registered Office of Lanka Sugar Company (Private) Limited is located at No. 27, Melbourne Avenue, Colombo 04 and the principal place of business is situated in Embilipitiya and Buttala.

After being incorporated as a private limited company, the assets and liabilities of Pelwatte Sugar Industries and Sevanagala Sugar Industries were transferred to Lanka Sugar Company (Private) Limited on 01st October 2012.

**1.2 Principal Activities and Nature of Operations**

During the financial period, principal activities of the entity were cultivating of sugar cane, manufacturing of and marketing of sugar and ethanol.

**1.3 Date of Authorization for Issue**

The financial statements of Lanka Sugar Company (Private) Limited for the year ended 31st December 2021 were authorized for issue, in accordance with a resolution of the Board of Directors on 23<sup>th</sup> January 2023.



## **2. GENERAL POLICIES**

### **2.1 BASIS OF PREPARATION**

The financial statements of the company comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement together with the Accounting Policies and Notes to the Financial Statements.

The financial statements of the Company have been prepared on a historical cost basis, unless stated otherwise.

The financial statements are presented in Sri Lankan Rupees (Rs).

#### **2.1.1 Statement of Compliance**

The Financial Statements of Lanka Sugar Company (Private) Limited have been prepared in accordance with Sri Lanka Accounting Standards. The preparation and presentation of these financial statements is in compliance with the companies Act No.07 of 2007.

#### **2.1.2. Going Concern**

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

### **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following are the significant accounting policies applied by the Company in preparing its financial statements:

#### **2.2.1 Functional and Presentation Currency**

The financial statements are presented in Sri Lanka Rupees (LKR) as commercial transactions are primarily carried out in by the company in LKR and such would better reflect the economic substance of underlying events and circumstances relevant to the enterprise.

Transactions in foreign currencies are translated to Sri Lanka Rupees at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Sri Lanka Rupees using the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the Statement of Profit and Loss.

All differences are taken to the statement of profit or loss.

Non-monetary assets and liabilities which are carried in terms of historical cost in a foreign currency are translated at the exchange rate that prevailed at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively)



### 2.2.2 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

#### *Sale of Goods*

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, with the Entity retaining neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods of sold.

#### *Interest income*

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

#### *Gains and losses on Disposal of Assets*

Gains and losses on disposal of Assets are determined by comparing the net sales proceeds with the carrying amounts of the Assets and are recognised net within "other operating income" in the Statement of Profit or Loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

### 2.2.3 Taxation

#### *Current Taxes*

Income tax expense comprises current income tax, Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, when it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date and any adjustment to tax payable in respect of previous years.

#### *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables that are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### *Deferred tax*

Deferred tax is provided using the balance sheet liability method, providing for tax effect of temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the amounts used for taxation purpose.



## 2.2.4 Expenses

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the period.

Repairs and renewals are charged to profit or loss in the period in which the expenditure is incurred

### 2.2.4.1 Borrowing Cost

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized as part of the cost of that asset.

### 2.2.4.2 Finance Cost

Financial costs comprise interest expense on borrowings that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

## 2.2.5 Property, Plant and Equipment

### Owned Assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When parts of an item of property, plant & equipment have different useful lives, they are accounted for as separate items (major components) of property, plant & equipment.

### Leased Assets

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

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

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



Operating lease payments are recognized as an operating expense in the Statement of Profit or Loss on a straight-line basis over the lease term.

#### **Subsequent expenditure**

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized in accordance with the de-recognition policy given below.

The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit and Loss as incurred.

#### **De-recognition**

The carrying amount of an item of property, plant & equipment is de-recognized on disposal; or when no future economic benefits are expected from its use. Gains and losses on de-recognition are recognized in the Statement of Profit or Loss and gains are not classified as revenue.

#### **Depreciation**

Depreciation is recognised 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 since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the company will have ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognized.

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

### **2.2.6 Inventories**

Inventories are valued at the lower of cost or net realisable value, after making due allowances for obsolete and slow moving items. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formula:-

Produce Stock	At direct cost including other overheads incurred thereon, up to the reporting date
Standing Cane	At direct cost including nursery cost and part of overheads incurred thereon, up to the reporting date
Other Stocks	At actual cost
Goods in Transit	At actual cost



## 2.2.7 Financial Instruments – initial recognition and subsequent measurement

### Financial assets

#### Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

The company's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables.

#### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss.

#### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.



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

#### **Impairment of financial assets**

The company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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

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

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss.

Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is reflected in the statement of profit or loss.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The company's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification as described below:

#### **Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

#### **De-recognition**

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

#### **2.2.8 Cash and Cash Equivalents**

Cash and cash equivalents are cash in hand and demand deposits that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

#### **2.2.9 Impairment of non- financial assets**

The carrying amounts of the company's assets are reviewed at 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 or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

#### **2.2.10 Liabilities and Provisions**

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

All known liabilities have been accounted for in preparing the financial statements.



### **2.2.10.1 Employee Benefits**

#### **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognized as an expense in the profit or loss as incurred.

The company contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contribution respectively.

#### **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 19.1. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Actuarial gains and losses for the defined benefit obligation is recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with Sri Lanka Accounting Standards. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded.

#### **Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

### **2.2.10.2 Government Grant**

Government Grant reflected in the balance sheet consist of the net assets acquired with the effect of Revival of Underperforming Enterprises and Underutilised Assets Act No. 43 of 2011 and the subsequent working capital contributed to carry out the entity's operations.

### **2.2.10.3 Provisions**

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

#### **2.2.10.3.1 Farmer Loan Provision**

The company grant loans for sugarcane farmers as mid term and short term loans and provisions are made for doubtful debts as follows.

Full provision is made for short term loans which are over 03 years and mid term loans which are over 04 years.

#### **2.2.11 Changes in Accounting Policies**

The accounting policies adopted are consistent with prior year.

### **2.3 USE OF ESTIMATES AND JUDGEMENTS**

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period and any future periods.

In the process of applying the company's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



**Depreciation of Property, Plant and Equipment**

Management assigns useful lives and residual values to property, plant and equipment based on the intended use of assets and the economic lives of these assets. Subsequent changes in circumstances such as technological advances or utilization of the assets concerned could result in the actual useful lives or residual values differing from initial estimates. Management reviews annually the residual values and useful lives of major items of property, plant and equipment.

**Impairment of Receivables**

Company reviews at each reporting date all receivables to assess whether an allowance should be recorded in the statement of profit and loss. Management uses judgment in estimating such allowance considering the duration of outstanding and any other factors management is aware of that indicates uncertainty in recoverability.

4. REVENUE			2021	2020	
4.1 Summary			Rs.	Rs.	
Sales of Goods			12,284,072,648	8,977,744,960	
			<u>12,284,072,648</u>	<u>8,977,744,960</u>	
4.2 Revenue is derived from the following:					
Sugar			5,994,971,448	3,882,000,885	
Molasses			14,958,000	343,431,900	
ENA			6,272,051,300	4,739,495,500	
Hand Sanitizer			2,091,900	12,816,675	
			<u>12,284,072,648</u>	<u>8,977,744,960</u>	
4.3 Segment Information					
	Head Office Rs.	Pelwatte Division Rs.	Sevanagala Division Rs.	Elimination Rs.	Total Rs.
Segment Revenue	44,400,000	8,097,899,243	4,186,173,406	(44,400,000)	12,284,072,649
Segment Results					
Gross Profit /(Loss)	44,400,000	1,533,706,763	1,769,599,470	(44,400,000)	3,303,306,233
Other					
Capital Expenditure	37,250	336,271,787	208,980,576	-	545,289,613
Depreciation	948,524	223,190,379	103,029,567	-	327,168,470
Segment Assets					
Non Current Assets	1,240,004	1,593,608,997	497,825,532	-	2,092,674,533
Current Assets	419,650,088	3,797,596,704	4,881,322,879	(954,006,184)	8,144,563,487
Segment Liabilities					
Non Current Liabilities	545,997	996,800,072	236,129,508	-	1,233,475,577
Current Liabilities	76,235,612	2,039,441,632	1,631,718,663	(954,006,184)	2,793,389,722
5. OTHER INCOME AND GAINS			2021	2020	
			Rs.	Rs.	
Other Service Income			50,653,823	58,418,875	
Sundry Income			81,190,402	17,051,424	
			<u>131,844,225</u>	<u>75,470,299</u>	
6. FINANCE COST AND INCOME					
6.1 Finance Cost			2021	2020	
			Rs.	Rs.	
Interest Expenses on Bank Loans			25,967,942	54,654,458	
Interest Expenses on Bank Overdrafts			47,562,905	75,724,810	
Finance Charges on Lease Liabilities			25,852,179	6,588,112	
			<u>99,383,026</u>	<u>136,967,380</u>	
6.2 Finance Income					
Interest Income on Loans Due from Farmers			-	36,993,335	
Interest Income on Fixed Deposits			139,851,794	168,440,540	
Other Interest Income			1,173	8,399	
			<u>139,852,967</u>	<u>205,442,274</u>	



<b>7. PROFIT BEFORE TAX</b>		<b>2021</b>	<b>2020</b>
Stated after Charging		<b>Rs.</b>	<b>Rs.</b>
<b>Included in Cost of Sales</b>			
Employee Benefits including the following			
- Defined Contribution Plan Costs - EPF and ETF		311,399,444	222,482,004
Depreciation		277,885,068	280,579,802
<b>Included in Administrative Expenses</b>			
Employee Benefits including the following			
- Defined Benefit Plan Costs - Gratuity		77,131,418	89,410,650
- Defined Contribution Plan Costs - EPF and ETF		42,117,463	57,592,324
Depreciation		49,283,272	47,863,250
Bad Debts on Farmers Loans		-	31,181,775
<b>8. INCOME TAX EXPENSE/(REVERSAL)</b>		<b>2021</b>	<b>2020</b>
		<b>Rs.</b>	<b>Rs.</b>
Current Income Tax		198,654,598	63,281,353
Deferred Tax Charge/ (Reversal) (Note 8.2)		232,203,591	(297,676,304)
		<u>430,858,189</u>	<u>(234,394,951)</u>
<b>8.1 Reconciliation between Current Tax Expense/(Income) and the product of Accounting Profit/(Loss)</b>			
Accounting profit /(loss) before tax		1,250,587,280	937,506,663
Exempt Income /Interest Income		(1,053,097,307)	(168,440,540)
Adjusted accounting profit/(loss) before tax		<u>197,489,973</u>	<u>769,066,123</u>
Aggregate disallowed items		909,165,975	1,030,794,017
Aggregate allowed items		(189,489,917)	(742,639,204)
Adjustment for previous year profit		-	-
Business profit/(Loss) for tax purpose		<u>917,166,031</u>	<u>1,057,220,936</u>
Less : Losses from business		-	(999,656,644)
Total Assessable Income from business income		<u>917,166,031</u>	<u>57,564,292</u>
Total Assessable Income from investment income		139,852,967	168,440,540
<b>Total Assessable Income</b>		<u>1,057,018,998</u>	<u>226,004,832</u>
Tax losses utilized during the year		-	-
<b>Taxable Income</b>		<u>1,057,018,998</u>	<u>226,004,832</u>
Income Tax at @ 18%		165,089,886	63,281,353
Income Tax at @ 24%		33,564,712	-
		<u>198,654,598</u>	<u>63,281,353</u>
Tax losses brought forward		-	48,253,666
Tax losses incurred during the year		-	-
Tax losses utilized during the year		-	(48,253,666)
Tax losses carried forward		-	-
<b>8.2 Deferred Tax Assets</b>	<b>Statement of Financial Position</b>	<b>Statement of Profit and Loss</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Deferred Tax Liability</b>			
On Property, Plant & Equipment	(459,839,515)	(566,630,601)	(106,791,086)
	<u>(459,839,515)</u>	<u>(566,630,601)</u>	<u>(106,791,086)</u>
<b>Deferred Tax Asset</b>			
On Property, Plant & Equipment	-	-	-
On Retirement Benefit Obligation	106,379,554	154,512,638	48,133,084
On Tax Loss /Provisions	3,232,686	294,094,279	290,861,593
	<u>109,612,240</u>	<u>448,606,917</u>	<u>338,994,677</u>
			<u>232,203,591</u>
Deferred Income Tax reversal	-	-	(297,676,304)
Net Deferred Tax Asset/(Liability)	<u>(350,227,275)</u>	<u>(118,023,684)</u>	
<b>9. EARNINGS/(LOSS) PER SHARE</b>			
<b>9.2 Amounts Used as Numerator:</b>		<b>2021</b>	<b>2020</b>
Net Profit/(Loss) Attributable to Ordinary Shareholders for Earnings Per Share		<b>Rs.</b>	<b>Rs.</b>
		<u>819,729,092</u>	<u>1,171,901,614</u>
<b>Numbers of Ordinary Shares Used as Denominator:</b>		<b>2020</b>	<b>2019</b>
Weighted average Number of Ordinary Shares Applicable to Basic Earnings/(Loss) Per Share		<b>Number</b>	<b>Number</b>
		<u>100</u>	<u>100</u>

## 10. PROPERTY, PLANT AND EQUIPMENT

10.1	Gross Carrying Amounts	Balance	Additions/	Disposals/	Balance
		As at	Transfers	Transfers	As at
		01.01.2021			31.12.2021
		Rs.	Rs.	Rs.	Rs.
	Land	44,149,728	-	-	44,149,728
	Land Development	165,206,052	16,924,488	-	182,130,540
	Factory Buildings	244,364,780	-	-	244,364,780
	Buildings Others	229,935,241	1,865,925	-	231,801,166
	Field Machinery and Equipment	523,521,867	56,186,490	-	579,708,357
	Irrigation and Miscellaneous Equipment	219,250,178	29,579,638	-	248,829,816
	Factory Plant and Equipment	3,101,931,441	81,503,256	(42,529,511)	3,140,905,186
	Other Plant and Machinery	153,158,403	-	-	153,158,403
	Storage Tank	63,398,475	-	-	63,398,475
	Roads and Bridges	111,179,516	676,000	-	111,855,516
	Laboratory Equipment	49,291,526	-	-	49,291,526
	Motor Vehicles	192,121,056	16,535,850	-	208,656,906
	Furniture, Fittings and Equipment	170,870,824	24,723,413	-	195,594,237
	Settler Zone Infrastructure	73,193,739	-	-	73,193,739
		<u>5,341,572,826</u>	<u>227,995,060</u>	<u>(42,529,511)</u>	<u>5,527,038,375</u>
	<b>Assets on Finance Leases</b>				
	Motor Vehicles	53,645,000	-	-	53,645,000
	New Holland Tractor	-	-	-	-
	Tractors	92,460,000	105,877,000	-	198,337,000
	Cane Loaders	-	69,552,000	-	69,552,000
	Field Machinery and Equipment	86,100,920	48,216,240	-	134,317,160
		<u>232,205,920</u>	<u>223,645,240</u>	<u>-</u>	<u>455,851,160</u>
	<b>In the Course of Construction</b>				
	Land Development	26,904,233	5,875,922	(16,924,488)	15,855,667
	Building - Others	25,789,770	76,489,350	(586,388)	101,692,732
	Roads and Bridges	-	-	-	-
	Factory Plant and Equipment	24,819,952	8,612,830	(3,404,736)	30,028,046
	Hotel Project	37,410,797	-	-	37,410,797
	Compost Plant	571,362	-	-	571,362
	Irrigation Project / Tube Well	2,864,444	2,363,224	-	5,227,668
	Power Generation Project	2,008,690	-	-	2,008,690
	Water Treatment Plant	27,067,812	307,987	-	27,375,799
		<u>147,437,060</u>	<u>93,649,313</u>	<u>(20,915,612)</u>	<u>220,170,761</u>
	<b>In the Course of Construction - On Finance Leases</b>				
	Factory Plant and Equipment	120,750,000	-	-	120,750,000
		<u>120,750,000</u>	<u>-</u>	<u>-</u>	<u>120,750,000</u>
	<b>Total Gross Carrying Amount</b>	<u>5,841,965,806</u>	<u>545,289,613</u>	<u>(63,445,123)</u>	<u>6,323,810,296</u>

10.2	Depreciation	Balance	Charge for	Disposals	Balance
		As at	the year		As at
		01.01.2021			31.12.2021
		Rs.	Rs.	Rs.	Rs.
	Land Development	77,987,152	3,500,012	-	81,487,164
	Factory Buildings	163,298,259	5,476,710	-	168,774,969
	Buildings Others	136,776,594	4,841,747	-	141,618,341
	Field Machinery and Equipment	461,096,966	4,915,725	-	466,012,691
	Irrigation and Miscellaneous Equipment	224,896,982	20,799,102	-	245,696,084
	Factory Plant and Equipment	2,169,050,818	220,957,201	(14,885,329)	2,375,122,690
	Other Plant and Machinery	103,271,008	13,390,437	-	116,661,445
	Storage Tank	34,645,695	2,967,660	-	37,613,355
	Roads and Bridges	107,194,729	1,535,275	-	108,730,004
	Laboratory Equipment	49,291,526	-	-	49,291,526
	Motor Vehicles	184,083,366	7,329,970	-	191,413,336
	Furniture, Fittings and Equipment	151,675,365	8,496,684	-	160,172,049
	Settler Zone Infrastructure	71,008,274	167,747	-	71,176,021
		<u>3,934,276,734</u>	<u>294,378,270</u>	<u>(14,885,329)</u>	<u>4,213,769,675</u>
	<b>Assets on Finance Leases</b>				
	Motor Vehicles	49,805,500	1,544,833	-	51,350,333
	New Holland Tractor	-	-	-	-
	Tractors	19,853,716	19,350,701	-	39,204,417
	Cane Loaders	-	3,477,600	-	3,477,600
	Field Machinery and Equipment	58,461,587	8,417,066	-	66,878,653
		<u>128,120,803</u>	<u>32,790,200</u>	<u>-</u>	<u>160,911,003</u>
	<b>Total Depreciation</b>	<u>4,062,397,537</u>	<u>327,168,470</u>	<u>(14,885,329)</u>	<u>4,374,680,678</u>



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

10.3 Net Book Values

	2021 Rs.	2020 Rs.
Land	44,149,728	44,149,728
Land Development	100,643,376	87,218,900
Factory Buildings	75,589,811	81,066,521
Buildings Others	90,182,825	93,158,648
Field Machinery and Equipment	113,695,666	2,841,810
Irrigation and Miscellaneous Equipment	3,133,732	31,227,534
Factory Plant and Equipment	765,782,496	932,880,625
Other Plant and Machinery	36,496,958	49,887,395
Storage Tank	25,785,120	28,752,780
Roads and Bridges	3,125,512	3,984,788
Laboratory Equipment	-	-
Motor Vehicles	17,243,570	8,037,690
Furniture, Fittings and Equipment	35,422,188	36,347,141
Settler Zone Infrastructure	2,017,718	2,185,466
	<u>1,313,268,700</u>	<u>1,401,739,026</u>
<b>Assets on Finance Lease</b>		
Motor Vehicles	2,294,667	3,839,500
New Holland Tractor	-	5,596,068
Mahindra Tractors	159,132,583	30,559,583
Field Machinery and Equipment	66,074,400	
	<u>67,438,507</u>	<u>69,686,034</u>
	<u>294,940,157</u>	<u>109,681,185</u>
<b>In the Course of Construction</b>		
Land Development	15,855,667	26,904,234
Building - Others	101,692,732	25,789,770
Factory Plant and Equipment	30,028,046	24,819,952
Hotel Project	37,410,797	37,410,797
Compost Plant	571,362	571,362
Irrigation Project	5,227,668	4,873,134
Power Generation Project	2,008,690	-
Water Treatment Plant	27,375,799	27,067,812
	<u>220,170,761</u>	<u>147,437,061</u>
<b>In the Course of Construction - On Finance Leases</b>		
Factory Plant and Equipment	120,750,000	120,750,000
	<u>120,750,000</u>	<u>120,750,000</u>
<b>Total carrying amount of Property, Plant and Equipment</b>	<u>1,949,129,618</u>	<u>1,779,607,272</u>

10.4 During the financial period, the company acquired Property, Plant and Equipment to the aggregate value of Rs. 545,289,613/- (2020 - Rs.306,806,691/-) for cash.

10.5 The useful lives of the assets is estimated as follows;

	2021	2020
Land Development	50 Years	50 Years
Factory Buildings	50 Years	50 Years
Buildings Others	50 Years	50 Years
Field Machinery and Equipment	5 - 6.67 Years	5 - 6.67 Years
Irrigation and Miscellaneous Equipment	16.67 Years	16.67 Years
Factory Plant and Equipment	10-20 Years	10-20 Years
Other Plant and Machinery	5 - 20 Years	5 - 20 Years
Roads and Bridges	20 Years	20 Years
Motor Vehicles	2 - 5 Years	2 - 5 Years
Furniture, Fittings and Equipment	4 - 5 Years	4 - 5 Years
Settler Zone Infrastructure	3 - 50 Years	3 - 50 Years

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

- 10.6 Reference to the letters from the Department of Valuation dated 07 May 2013 and 26 May 2014, Pelwatte and Sevanagala Divisions did receive valuation reports for its buildings, plant and machinery, agri equipment and motor vehicles. However only the value relating to Plant and Machinery of Sevanagala Division has been incorporated into these financial statements due to several inconsistencies identified by the management in the information contained in such reports.

Whilst the provisions of the Revival of Underperforming Enterprises or Underutilised Assets Act No.43 of 2011 relate only to the transfer of immovable assets to the respective divisions, Pelwatte and Sevanagala Divisions in substance continues to use the assets transferred from the previous owners. However, in accounting for the assets acquired prior to the Act, the Property, Plant and Equipment of Pelwatte Division includes the continuing book balances of previous owners to their books on which depreciation rates have applied, whilst the Property, Plant and Equipment of Sevanagala Division only contains the value of Plant and Machinery based on the valuations carried out.

The value of those revalued amounts which have not been incorporated to these financial statements are as follows.

	<b>Pelwatte Division Rs.</b>	<b>Sevanagala Division Rs.</b>
Buildings	766,250,000	3,757,500,000
Plant and Machinery	1,399,000,000	769,500,000
Motor Vehicles	390,600,000	-
Agri Equipment	72,000,000	330,700,000
<b>11. INVENTORIES</b>		
	<b>2021 Rs.</b>	<b>2020 Rs.</b>
Produced Inventory (11.1)	1,146,616,820	1,240,657,564
Other Inventory (11.2)	1,469,071,991	1,048,863,824
	<u>2,615,688,811</u>	<u>2,289,521,388</u>
<b>11.1 Produced Inventory</b>		
Sugar	721,031,520	921,292,750
Molasses	174,643,989	277,370,400
ENA	250,941,311	41,453,390
Hand Sanitizer	-	541,024
	<u>1,146,616,820</u>	<u>1,240,657,564</u>
<b>11.2 Other Inventory</b>		
Fuel and Lubricants	59,940,358	65,318,952
Factory Chemicals	10,112,160	6,209,151
Production Items Distillery	2,196,948	1,214,266
Bags and Liners	11,445,340	2,555,006
Fertilizers	410,897,759	163,848,896
General	36,392,873	29,487,948
Agriculture Spares	249,366,506	208,102,086
Stationery	2,059,661	2,506,078
Factory Spares	535,823,616	445,948,875
Other Inventory	-	1,275,000
Tires and Tubes	102,346,448	92,884,133
Other Inventory	1,275,000	1,275,000
	<u>1,421,856,669</u>	<u>1,020,625,391</u>
Less: Provision for Obsolete Stocks	(9,251,437)	(9,251,437)
	<u>1,412,605,232</u>	<u>1,011,373,954</u>
Goods-in-Transit	56,466,759	38,764,870
	<u>1,469,071,991</u>	<u>1,050,138,824</u>
<b>12. BIOLOGICAL ASSETS</b>		
	<b>2021 Rs.</b>	<b>2020 Rs.</b>
Standing Cane	789,488,289	514,470,308
	<u>789,488,289</u>	<u>514,470,308</u>
<b>13. TRADE AND OTHER RECEIVABLES</b>		
	<b>2021 Rs.</b>	<b>2020 Rs.</b>
Trade Receivables	1,230,455	609,080
Other Receivables	248,518,213	272,225,072
Staff Loans (13.1)	28,759,442	31,281,813
	<u>278,508,110</u>	<u>304,115,965</u>
<b>13.1 Staff Loans</b>		
Balance at the beginning of the year	31,277,011	32,475,003
Loans granted during the year	82,154,794	66,741,600
Repayments made during the year	(84,672,363)	(69,553,944)
Balance at the end of the year	<u>28,759,442</u>	<u>29,662,659</u>



14. LOANS DUE FROM FARMERS	113,950,484 650,726,628		2021 Rs.	2020 Rs.
Balance at the beginning of the year	611 184178		1,528,373,069	1,258,126,239
Loans granted during the year	231 127945		1,124,727,805	1,121,824,093
Loans recovered during the year	(320,052,615)		(1,085,623,725)	(851,577,257)
Total Loans Granted	522259508	1,567,477,149	1,567,477,148	1,528,373,069
Less: Provision for Doubtful Recoveries	-635864		(557,683,500)	(539,724,136)
Balance at the end of the year	521623644		1,009,793,648	988,648,933

15. INVESTMENTS			2021 Rs.	2020 Rs.
Current				
Fixed Deposits			2,391,929,343	1,989,242,632
			2,391,929,343	1,989,242,632

16. STATED CAPITAL	2021 Number	2021 Rs.	2020 Number	2020 Rs.
Fully Paid Ordinary Shares	100	1,000	100	1,000

17. GOVERNMENT GRANT			2021 Rs.	2020 Rs.
As at beginning of the period			4,047,943,334	4,047,943,334
Revaluation of Plant and Machinery				
Repayments				
			4,047,943,334	4,047,943,334

Government acquired the company's land (including any building and fixtures or fittings which are part of such building and any building belonging to and appurtenant thereto or treated as part and parcel thereof) by the revival of Underperforming Enterprises or Underutilized Assets Act, No. 43 of 2011 on 11/11/2011 and appointed a competent Authority to govern the company. Competent authority has governed the company from 11/11/2011 to 30/09/2012. Effective from 01 October 2012 all the assets and liabilities which were vested with the Competent Authority, was transferred to Lanka Sugar Company (Private) Limited.

18. INTEREST BEARING LOANS AND BORROWINGS

	2021			2020		
	Amounts Repayable Within 1 Year Rs.	Amounts Repayable After 1 year Rs.	Total Rs.	Amounts Repayable Within 1 Year Rs.	Amounts Repayable After 1 year Rs.	Total Rs.
Bank Loans (18.1)	8,106,458	-	8,106,458	360,971,447	8,106,458	369,077,905
Finance Leases (18.2)	68,596,938	292,250,498	360,847,436	24,244,916	83,066,254	107,311,170
	76,703,396	292,250,498	368,953,894	385,216,363	91,172,712	476,389,075
18.1 Bank Loan			As at 01.01.2021 Rs.	New Loans Obtained Rs.	Repayments Rs.	As at 31.12.2021 Rs.
Bank of Ceylon	5,330,791		357,425,340		(351,103,566)	6,321,774
Sampath Bank			11,652,565		(9,867,881)	1,784,684
NDB Bank			356,434,357		(360,971,447)	8,106,459
18.2 Finance Leases			As at 01.01.2021 Rs.	New Leases Obtained Rs.	Repayments Rs.	As at 31.12.2021 Rs.
Bank of Ceylon		217,229,763	134,584,380	373,271,052	(82,645,383)	425,210,049
Gross Liability			134,584,380	373,271,052	(82,645,383)	425,210,049
Finance Charges Allocated to Future Periods			(27,273,210)	(60,939,336)	23,849,932	(64,362,614)
Net Liability			107,311,170	312,331,716	(58,795,451)	360,847,435

**19. RETIREMENT BENEFIT LIABILITY**

	2021 Rs.	2020 Rs.
As at the beginning of the period	551,830,851	425,834,246
Interest Cost	46,896,838	42,881,669
Current service cost	30,234,580	33,881,336
Benefit Paid	(26,837,579)	(24,294,404)
Actuarial (Gain)/Loss	(11,127,167)	73,528,006
As at the end of the period	<u>590,997,522</u>	<u>551,830,851</u>

- 19.1 Messers Actuarial and Management Consultation (Private) Limited Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31 December 2021. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

The key assumptions used in determining the cost of employee benefits were:

	2021	2020
<b>Pelawatte Division</b>		
Discount Rate	8.50%	10.00%
Rate of Salary Increase	1.50%	1.50%
Retirement Age	60 Years	60 Years
<b>Sevanagala Division</b>		
Discount Rate	11.00%	8.50%
Rate of Salary Increase	Fixed amount	Fixed amount
Retirement Age	60 Years	60 Years

**20. TRADE AND OTHER PAYABLES**

	2021 Rs.	2020 Rs.
Trade Payables (20.1)	429,261,919	269,932,237
Advances Received from customers	715,201,147	277,129,102
Other Payables (20.2)	142,033,855	144,263,238
Sundry Creditors including Accrued Expenses (20.3)	905,829,411	631,923,051
Incentive Provision for the Employees & Farmers	-	218,915,360
Distilleries Company of Sri Lanka PLC	24,784,659	24,784,659
Recovered from Farmers	59,792,499	59,792,499
	<u>2,276,903,490</u>	<u>1,626,740,146</u>
<b>20.1 Trade Payables</b>		
Trade Creditors	<u>429,261,919</u>	<u>269,932,237</u>
<b>20.2 Other Payables</b>		
VAT Payable	32,895,599	32,895,599
NBT Payable	<u>109,138,256</u>	<u>111,367,639</u>
	142,033,855	144,263,238
<b>20.3 Sundry Creditors including Accrued Expenses</b>		
Sundry Creditors	270,706,754	248,163,693
Accrued Expenditure	<u>635,122,657</u>	<u>383,759,358</u>
	905,829,411	631,923,051
<b>21. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT</b>		
Components of Cash and Cash Equivalents	2021	2020
	Rs.	Rs.
<b>21.1 Favorable Cash and Cash Equivalents Balances</b>		
Cash and Bank Balances	915,068,381	207,959,927
<b>21.2 Unfavorable Cash and Cash Equivalent Balances</b>		
Bank Overdrafts	(125,178,975)	(488,243,226)
<b>Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement</b>	<u>789,889,406</u>	<u>(280,283,299)</u>



**22. COMMITMENTS AND CONTINGENCIES**

**Capital Expenditure Commitments**

As per the provisions of the Act of Revival of Underperforming Enterprises and Underutilized Assets No.43 of 2011. Government has acquired the immovable assets of Sevanagala Sugar Industries as at 11 November 2011. Previous Management has filed a case against this acquisition. Reference to above stated act, the liabilities should be settled through Labor Tribunal.

At the end of year 2021, Pelwatte Division had 20 legal cases and Sevanagala Division had 15 legal cases in various courts, that were filed by the employees and out side parties against the company. However the Company is unable to confirm any contingency payment that require adjustments or disclosures in the Financial Statements.

		Rs.		
23.	Fixed Deposits	Overdraft facility of A/C No 73947899 Bank Of Ceylon	468,510,609	Investment
	Fixed Deposits	Overdraft facility of A/C No 75751012 Bank Of Ceylon	425,031,161	Investment
	Fixed Deposits	Term Loan - NDB Bank	55,000,000	Investment
	Fixed Deposits	Term Loan - Bank of Ceylon	30,000,000	Investment
	Fixed Deposits	Permanent Overdraft -Peoples Bank	200,000,000	Investment

**24. EVENTS OCCURRING AFTER THE REPORTING DATE**

There have been no material events occurring after the reporting date that require adjustments or disclosure in the Financial Statements.

**25. RELATED PARTY DISCLOSURES**

**25.1 Amounts due from Related Parties**

	2021 Rs.	2020 Rs.
Receivable from Kanthale Sugar Industries	8,831,204	8,831,204
Receivable from Hingurana Sugar Industries	548,134	548,134
Ministry Of Sugar Industry Receivable	3,453,231	3,453,231
SSP Project - Badulla	6,665,725	6,665,725
	<u>19,498,293</u>	<u>19,498,293</u>
Provision for Bad Debts	<u>(19,498,293)</u>	<u>(19,498,293)</u>
	<u>-</u>	<u>-</u>

**25.2 Transactions with Key Management Personnel of the Company**

The key management personnel of the Company are the members of its Board of Directors.

**Key Management Personnel Compensation**

	2021 Rs.	2020 Rs.
Directors Fee	<u>857,500</u>	<u>157,500</u>

## 26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise interest bearing loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company has trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's management oversees the management of these risks. The Company's management determine on financial risks and the appropriate financial risk governance framework for the Company. The financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company policies and risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

### **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits.

### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term deposits carrying floating interest rates. The Company manages its risk against fluctuating interest by borrowing on fixed interest rate and maintaining investment in floating interest bearing deposits at a insignificant level.

### **Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.



26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

**Credit risk**

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

**Trade receivables**

Customer credit risk is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Individual credit limits are defined in accordance with the prior experience with the customers. Outstanding customer receivables are regularly monitored. The amount of trade receivables were insignificant since most of the trading is done after receiving an advance from the customers. However the requirement for an impairment is analysed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data. The Company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are largely unrelated.

The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables and deposits with banks and are disclosed in Note 13 and Note 15 respectively.

**Liquidity risk**

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years
Interest-bearing loans and borrowings	125,178,975		76,703,396	292,250,498
Trade and other payables	2,276,903,487			
	<u>2,402,082,462</u>	<u>-</u>	<u>76,703,396</u>	<u>292,250,498</u>

**Capital management**

Capital includes equity attributable to the equity holders of the company. The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2021.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Interest Bearing Borrowings	494,132,869
Trade and Other Payables	2,276,903,487
Less: Cash and Cash Equivalents	(915,068,381)
Net Debt	<u>1,855,967,975</u>
Equity	6,210,372,725
Total Capital	<u>6,210,372,725</u>
Gearing ratio	23.01%

27. FAIR VALUE MEASUREMENT

Financial instruments of the Company reflected at amortised cost in these financial statements included cash, cash equivalents, trade receivables, other receivables, trade and other payables and interest bearing loans and borrowings.

The management assess that the fair value all financial instruments approximate their carrying amount largely due to the short term maturities and market based interest rates of these instruments

**28. EVENTS AFTER THE REPORTING PERIOD**

No any circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.

**29 RELATED PARTY DISCLOSURE**

Related Parties of Lanka Sugar Company (Private) Limited are Ministry of Plantation Industries, General Treasury of Sri Lanka and the Board of Directors. There are no transactions with aforesaid related parties in the reporting financial year, except for the directors' emoluments and fee which already have been declared in the note 25 to this Financial Statements

**29 Transactions with Key Management Personnel**

**29.1. Loans to Directors**

No loans have been given to the Directors of the Company.

**29.1. Other Transactions With Key Management Personnel**

There are no other transactions with the related parties during the reporting financial period.

**30. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities and assets reported during the financial year ended 31.12.2021

**31. AGRICULTURE**

Biological Assets are stated at fair value and shown under current-assets since they realize within a period of one year and is given in the note 12 to this Financial Statements.



DETAILED COST AND EXPENDITURE STATEMENT  
Year ended 31 December 2021

**COST OF SALES**

		2021 Rs.	2020 Rs.
Nucleus Estate Cost	I	440,688,414	526,708,215
Research and Extension	II	226,635,836	104,331,909
Settler Expenditure	III	1,394,230,504	882,528,039
Out grower Expenditure	IV	1,458,118,824	1,119,744,664
ISFO Expenditure	V	247,471,863	141,999,504
Factory Cost	VI	849,037,705	690,357,351
Distilleries Cost	VII	820,361,242	946,473,658
Golf Project			
Agriculture Services	VIII	600,213,507	497,924,395
Sanitizer Production Project		131,900	3,687,638
		<u>6,036,889,795</u>	<u>4,910,067,735</u>
<b>Stock Movements</b>			
(Increase) / Decrease in Sugar Stock		438,934,918	(674,999,230)
(Increase)/ Decrease in Molasses Stock		94,763,500	(31,461,100)
(Increase)/Decrease in ENA Stock		(5,814,791)	98,854,832
(Increase) / Decrease in Sanitizer Stock		<u>(580,943)</u>	<u>(2,286,911)</u>
		6,564,192,479	4,300,175,326
Cost of Sales - Sevanagala	IX	2,416,573,936	2,273,571,829
Total Cost of Sales		<u><u>8,980,766,415</u></u>	<u><u>6,573,747,155</u></u>

**STATEMENT I**

	2021 Rs.	2020 Rs.
Cost of Cane Harvested - Commercial	67,217,805	287,343,315
Cost of Cane Harvested - Seed	1,713,470	9,798,160
Cane Cutting, Loading & Transport	158,378,124	121,162,417
Estate Supporting Operation	8,168,282	7,508,872
Estate Protection	77,656,137	36,992,369
Agriculture Engineering	40,961,444	4,601,056
Administration and Other Overheads	91,032,854	86,142,473
Valuation Adjustment	(2,061,617)	(1,523,927)
	<u>443,066,499</u>	<u>552,024,735</u>
Seed Cane Recoveries	(2,378,085)	(25,316,520)
	<u>440,688,414</u>	<u>526,708,215</u>

**STATEMENT II**

	2021 Rs.	2020 Rs.
<b>RESEARCH AND EXTENSION COST</b>		
Cost of Seed Cane Harvested - Seed	138,066,066	147,400,887
Cost of Seed Cane Harvested - Commercial	36,218,397	4,950,884
Cane Cutting, Loading and Transportation	18,627,893	43,731,656
Agronomy Administration & Other Overheads	94,061,798	41,868,940
Agronomy Research	2,856,524	2,757,124
Estate Protection	2,222,571	6,856,425
Engineering Maintenance	1,055,063	552,017
Valuation Adjustment	(667,527)	(100,424)
	<u>292,440,785</u>	<u>248,017,509</u>
Seed Cane Recoveries	(65,804,949)	(143,685,600)
	<u>226,635,836</u>	<u>104,331,909</u>

**STATEMENT III**

	2021 Rs.	2020 Rs.
<b>SETTLER EXPENDITURE</b>		
Cane Purchases	1,186,573,690	676,374,574
Settler Development Cost	(3,747,558)	41,467,802
Administration and Other Overheads	192,398,882	135,926,103
Settler Engineering Maintenance	11,391,598	11,514,286
Land Preparation Amortization	-	560,117
Cost of cane Nurseries	21,227,370	43,247,839
Cane Cutting, Loading & Transport - Nurseries	2,645,603	3,433,619
Valuation Adjustment	(3,513,514)	(1,397,121)
	<u>1,406,976,071</u>	<u>911,127,219</u>
Settler write off cost	(12,745,567)	(28,599,180)
Seed Cane Recoveries	1,394,230,504	882,528,039
	<u>1,394,230,504</u>	<u>882,528,039</u>

**STATEMENT IV**

	2021 Rs.	2020 Rs.
<b>OUT GROWER EXPENDITURE</b>		
Cane Purchases	1,170,050,436	846,021,004
Out grower Development Cost	19,035,234	57,513,261
Out grower Administration & Other Overheads	189,226,491	146,099,952
Buying Station Cost	33,699,370	41,973,872
Out grower Engineering Cost	11,020,101	5,315,205
Gomadiyawala Project	43,718,890	12,161,833
Land Preparation Amortization	-	2,829,593
Cost of cane Nurseries & PSIL Plots	1,316,276	13,596,409
Cane Cutting, Loading & Transport - Nurseries & PSIL Plots	1,836,917	3,617,673
Valuation Adjustment	(3,033,755)	(1,659,378)
	<u>1,466,869,960</u>	<u>1,127,469,424</u>
Seed Cane Recoveries	(8,751,136)	(7,724,760)
	<u>1,458,118,824</u>	<u>1,119,744,664</u>

**DETAILED COST AND EXPENDITURE STATEMENT**

Year ended 31 December 2021

**STATEMENT V**

	2021 Rs.	2020 Rs.
<b>ISFO EXPENDITURE</b>		
Cane Purchases	239,896,597	122,068,287
Administration Cost	6,098,048	13,884,891
ISFO Development Cost	2,073,636	5,890,733
Land Preparation Amortization	-	353,251
Valuation Adjustment	(596,418)	(197,658)
	<u>247,471,863</u>	<u>141,999,504</u>

**STATEMENT VI**

	2021 Rs.	2020 Rs.
<b>FACTORY COST</b>		
Process and Packing Cost	223,113,194	178,294,686
Administration and Other Overheads	61,597,563	54,581,081
Engineering Operations	288,006,419	146,135,238
Engineering Maintenance	257,398,010	197,068,781
Depreciation	121,879,732	140,336,850
Valuation Adjustment	(2,689,097)	(1,836,866)
Recovery (Engineering Maintenance)	(5,721,241)	(9,316,169)
Steam Cost Recoveries	(94,546,875)	(14,906,250)
	<u>849,037,705</u>	<u>690,357,351</u>

**STATEMENT VII**

	2021 Rs.	2020 Rs.
<b>DISTILLERIES COST</b>		
Administration costs	37,247,079	32,392,888
Engineering operations	60,383,052	49,369,580
Production operations	411,547,513	606,581,132
Depreciation	41,829,427	43,470,711
Valuation adjustment	(7,820,580)	(3,285,353)
Molasses Tax	292,300,000	218,290,000
Recoveries	(15,125,249)	(345,300)
	<u>820,361,242</u>	<u>946,473,658</u>

**STATEMENT VIII**

	2021 Rs.	2020 Rs.
<b>AGRICULTURE SERVICES EXPENDITURE</b>		
Agriculture Administration	69,837,787	79,912,784
HLT Administration	44,195,778	32,086,776
Elephant Drive	4,535,258	3,231,534
Agriculture Engineering	73,461,350	61,922,385
Agriculture Workshop	74,292,497	63,810,432
Service Station	2,598,400	1,618,829
Under / (Over) Recoveries - Fleet	158,513,377	55,527,884
Estate Protection Administration	43,505,920	135,871,499
Fire Unit	43,215,944	36,250,942
Buying Station	107,661,872	90,365,950
Valuation Adjustment	(2,023,624)	(1,542,872)
Recoveries	(19,581,052)	(61,131,748)
	<u>600,213,507</u>	<u>497,924,395</u>



STATEMENT IX

COST OF SALES - SEVANAGALA

	2021 Rs.	2021 Rs.	2020 Rs.	2020 Rs.
<b>Raw Material</b>				
Cane Purchase - Allottees	1,814,762,876		1,400,436,672	
Cane Purchase - Private	4,247,580		9,931,121	
Seed Cane Expenses	1,164,926		498,267	
Packing Materials	23,162,903	1,843,338,285	19,032,053	1,429,898,113
Raw Material Consumed		1,843,338,285		1,429,898,113
<b>Direct Labor</b>				
Salary and Wages	223,686,722		180,301,276	
Overtime	69,562,625		69,223,238	
E.P.F.	18,469,551		14,548,709	
E.T.F.	4,309,508	316,028,406	3,342,643	267,415,866
Prime Cost		2,159,366,691		1,697,313,979
<b>Factory Overheads</b>				
Repair & Maintenance - Plant and Machinery			6,331,528	
Customs Duty on Raw Materials	185,641,500		117,400,000	
Depreciation	60,968,017		55,812,087	
Process Chemicals	12,123,733		15,567,605	
Electricity	38,723,164		23,139,032	
Lubricants	15,635,440		10,601,492	
Spares and Maintenance	64,350,952		62,457,795	
General and Hardware	29,042,875		31,431,439	
Loading and Unloading Charges	93,739		44,289	
Firewood	7,927,172		12,302,495	
Furnace Oil	272,004,826		153,447,888	
Consumable Stores	9,696,236	696,207,654	4,876,020	493,411,670
Total Production Cost		2,855,574,345		2,190,725,649
<b>Stock Movements</b>				
Opening Inventory	287,750,520		370,596,700	
Closing Inventory	726,750,930		287,750,520	
Increase in Finished Goods Stock		(439,000,410)		82,846,180
		<u>2,416,573,935</u>		<u>2,273,571,829</u>

# DETAILED COST AND EXPENDITURE STATEMENT

Year ended 31 December 2021

## STATEMENT X

	2021	2020
	Rs.	Rs.
<b>ADMINISTRATIVE EXPENSES - PELWATTE</b>		
Administration	13,017,988	24,420,000
Financial Accounting Division	11,631,768	10,750,513
Management Accounting Division	2,513,058	1,679,382
Stores and Purchase Division	40,229,784	34,949,194
System Accounting Division	9,025,614	8,484,695
Out grower Accounting Division	2,861,492	2,372,499
Colombo Office	2,937,757	2,439,707
Internal Audit	7,350,336	5,295,676
Depreciation	681,535	372,139
Bank Charges and Debit Taxes	5,192,846	3,591,364
Settler Accounting Division	3,379,775	2,922,852
Audit Fees	500,000	-
Sugar Packeting & Marketing	42,942,220	36,255,743
Social Services	23,595,081	7,464,815
GM (COO) Expenses	-	4,875,940
Operation Department - Admin cost	22,896,202	9,446,021
Cess on Sugar production	3,038,120	2,358,215
Employee and farmer incentives	386,812,679	151,859,646
Valuation Adjustment	(2,652,953)	(566,647)
	<u>575,953,302</u>	<u>308,971,754</u>
<b>PERSONNEL AND TRAINING COST - PELWATTE</b>		
Administration, Recruitment and Other Overheads	102,893,855	94,959,351
Medical and Community Health	47,814,102	36,251,341
Training	6,363,457	5,383,232
Township Expenses	93,296,569	61,762,619
Security	96,447,032	76,344,007
Staff Welfare Facilities	68,209,694	41,339,959
Chairman Bungalow Expenses	4,386,818	3,799,712
Transport and Maintenance	55,933,942	49,849,293
Valuation Adjustment	(1,305,289)	(899,670)
Recoveries	(14,628,091)	(12,924,833)
Cost of Investigation Officer	1,677,303	2,013,388
Legal Division Expenses	2,314,194	1,305,477
Other Projects	29,961,143	-
Golf Ground and Menik Gaga Resort Maintenance	14,045,537	10,751,623
	<u>507,410,266</u>	<u>369,935,499</u>
<b>ADMINISTRATIVE EXPENSES - SEVANAGALA</b>	1,082,534,770	868,410,286
<b>ADMINISTRATIVE EXPENSES - HEAD OFFICE</b>	59,134,780	59,431,158
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<u><u>2,225,033,118</u></u>	<u><u>1,606,748,697</u></u>

STATEMENT X (Contd....)

ADMINISTRATIVE EXPENSES - SEVANAGALA	2021 Rs.	2020 Rs.
Land Preparation	1,371,210	1,192,938
Planting	4,280,189	7,410,310
Salary & Wages	317,292,438	244,786,479
Overtime	83,340,421	78,261,777
E.P.F.	25,735,932	19,180,575
E.T.F.	6,156,917	4,535,768
Bonus	35,237,388	-
Farmers Incentives	191,283,021	-
Cashier Allowance	138,400	125,400
Traveling & Subsistence	1,832,299	1,881,722
Holiday Payment	4,540,989	4,645,710
Petrol , Diesel & Lubricants	50,734,768	37,763,114
Tyres & Tubes	2,764,605	2,566,053
Stationery	4,265,650	3,585,988
License	2,187,875	1,635,392
Postage & Courier Charges	213,505	254,076
Telephone Charges	4,080,288	2,323,913
Books & Periodicals	896,529	391,989
Bank Charges	293,930	165,140
Legal Expenses	1,335,700	1,367,300
Repairs to Office Equipment	10,150	19,230
Education & Training	466,870	519,250
Medical Facilities	50,201,057	36,616,532
Staff Incentives	90,697,875	218,915,360
Welfare & Sports	11,884,419	12,821,486
Repair & Maintenance - Motor Vehicles	6,733,999	4,929,335
Repair & Maintenance - Buildings	649,486	1,537,166
Other Spares & Maintenance	54,729,461	34,509,571
Electricity	10,319,044	14,642,232
Other Allowances	10,965,075	8,007,928
Meal Expenses	3,848,563	1,490,261
Guest House Expenses	2,077,530	-
Computer Expenses	97,888	532,045
Donations	1,866,749	625,632
Transport & Hiring Charges	2,974,557	793,671
Water Rates	8,230,215	16,695,652
Audit Fees	346,800	-
Depreciation	42,061,551	40,434,960
Other Expenses	1,436,344	787,282
Gratuity	8,269,762	11,862,397
Security Charges	47,000	19,500
Rent & Rates	10,000	10,000
Insurance	3,792,676	8,942,894
Verification Expenses	672,467	454,340
Deyata Kirula Expenses	-	1,611,460
Cess Tax	1,779,605	-
Penalties and Surcharges	5,400	34,052
Road Renovation Expenses	8,324,140	17,294,598
Ceremonial Expenses	1,217,720	233,070
Consultancy Charges	2,307,275	651,474
Farmers Welfare	180,895	415,229
Vehicle & Fuel Allowance	5,135,000	4,420,000
Bad debts	11,664,393	12,668,085
Yield Target Allowance	1,548,750	3,841,950
	<u>1,082,534,770</u>	<u>868,410,286</u>



## Lanka Sugar Company (Private) Limited

## DETAILED COST AND EXPENDITURE STATEMENT

Year ended 31 December 2021

## STATEMENT X (Contd....)

ADMINISTRATIVE EXPENSES - HEAD OFFICE	2021 Rs.	2020 Rs.
Salaries & Wages	28,634,475	27,700,902
EPF Contribution	1,502,078	1,566,507
ETF Contribution	375,519	391,627
Over Time	371,878	593,064
Bonus & Incentive	4,155,594	2,298,056
Gratuity	160,419	170,803
Bata & Subsistances	76,300	162,800
Sick leave payment	-	153,905
Staff Medical Expenses	-	62,134
Staff Training	-	33,500
Traveling & Incidental	963,710	174,118
Amortization of Intangible Asst	39,000	13,000
Cleaning Expenses	392,142	34,582
Depreciation	948,524	1,703,146
Director Fee	857,500	157,500
Electricity	319,535	412,032
Fuel Expenses	2,539,797	2,398,625
Vehicle Repairs & Maintenance	2,181,989	2,636,116
Insurance	1,665,847	1,478,977
Internet and Email	6,000	6,000
Office Maintenance	2,700	17,983
Postage, Printing & Stationery	591,192	734,281
Rates	174,328	223,993
Meal Expenses	113,989	67,584
Refreshments - Other	4,690	26,323
Repairs and Maintenance	772,650	956,454
Security Expenses	944,200	922,320
Telephone Expenses	985,662	913,511
Water Supply Expenses	83,689	82,323
Consultancy Fee	3,090,000	1,833,481
Donation	25,000	50,000
Doubtfull Debts Expenses	-	6,830,208
Entertainments	16,771	58,911
Legal Fee	333,580	580,730
Licence & Rgistration Fee	74,402	20,000
Miscellaneous	78,215	49,566
Office Rent	360,007	223,521
Professional Charges	607,959	202,404
Secretary fee	210,071	196,080
Tea Expenses	132,818	123,534
Tender Fee	5,325,750	3,155,500
Bank Charges	16,800	15,060
	<u>59,134,780</u>	<u>59,431,158</u>