



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

ඒ ආර් අයි/ඒ/සීඑස්/2023/13

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

2024 අප්‍රේල් 02 දින

සභාපති

සී/ස ලංකා පොහොර සමාගම

සී/ස ලංකා පොහොර සමාගමේ 2023 මාර්තු 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 තත්ත්වගණනය කළ මතය

සී/ස ලංකා පොහොර සමාගමේ (“සමාගම”) 2023 මාර්තු 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ විස්තීර්ණ ආදායම් ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා මුදල් ප්‍රවාහ ප්‍රකාශනය සහ මූල්‍ය ප්‍රකාශන වලට අදාළ සටහන්, සාරාංශගත වැදගත් ගිණුම්කරණ ප්‍රතිපත්තිවලින් සමන්විත 2023 මාර්තු 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 විධිවිධාන ප්‍රකාරව මාගේ විධානය යටතේ විගණනය කරන ලදී. ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(6) ව්‍යවස්ථාව ප්‍රකාරව මාගේ වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලැබේ.

මාගේ වාර්තාවේ තත්වගණනය කළ මතය සඳහා පදනම කොටසේ විස්තර කර ඇති කරුණු වලින් වන බලපෑම හැර, සමාගමේ මූල්‍ය ප්‍රකාශන තුළින් 2023 මාර්තු 31 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා එවායේ මූල්‍ය ක්‍රියාකාරීත්වය හා මුදල් ප්‍රවාහ ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතීන්ට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 මතය සඳහා පදනම

(අ) සමාගමේ මහජන බැංකුවේ අංක 0210919 දරන ජංගම ගිණුමේ සමාලෝචිත වර්ෂය අවසාන දිනට මුදල් පොත අනුව ශේෂය රු.360,159,463 ක් වූ අතර එදිනට බැංකු ප්‍රකාශනයට අනුව ශේෂය රු.382,799,826 ක් වී තිබුණද පිළියෙල කළ බැංකු සැසඳුම් ප්‍රකාශනයට අනුව බැංකු ගිණුමේ ශේෂය රු.358,733,130 ක් වී තිබුණි. මූල්‍ය ප්‍රකාශන තුළ සංශෝධිත බැංකු ගිණුමේ ශේෂය වෙනුවට සංශෝධනට පෙර පැවති මුදල් පොත අනුව ශේෂය දක්වා තිබීම හේතුවෙන් රු.1,426,333ක වෙනසක් නිරීක්ෂණය වූ අතර ඊට හේතු හඳුනාගෙන නොතිබුණි.

- (ආ) පසුගිය වර්ෂයේදී ප්‍රවාහන හා හැසිරවීමේ වියදම රු.21,892,044 ක් අඩුවෙන් ගිණුම්ගත කර තිබුණු අතර සමාලෝචිත වර්ෂයේදී එම වටිනාකමින් රු.13,000,000 ක් අදාළ වියදම් ගිණුමට ගැලපීම් කර ඉතිරි වටිනාකම වූ රු.8,892,044 ක් ගැලපීම් කර නොතිබුණි. උක්ත ගැලපීම රඳවාගත් ඉපයුම් ගිණුමට සිදු නොකිරීම හේතුවෙන් වර්ෂයේ ලාභය රු.13,000,000 ක් අඩුවෙන් ද රඳවාගත් ඉපයුම් රු.8,892,044 ක් වැඩියෙන් ද දක්වා තිබුණි.
- (ඇ) 2007 වර්ෂයේදී ලබා දුන් ණයවර ලිපි ගාස්තු ලෙස දක්වමින් රු.2,143,772 ක මුදලක් ආනයන අත්තිකාරම් ලෙස ගිණුම් ගතකර ඇතත්, එම වියදම සනාථ කිරීමට අදාළ බිල්පත් හෝ ලිපි ලේඛන කිසිවක් විගණනයට ඉදිරිපත් නොවූ අතර සමාලෝචිත වර්ෂයේ එම වටිනාකම වියදමක් ලෙස අත්තිකාරම් ගිණුමෙන් කපා හැර තිබුණි.
- (ඈ) උපවිත වියදම් ශේෂය තුළ අන්තර්ගත 2010/2011 මූල්‍ය වර්ෂයට පෙර සිට ගිණුම්ගත කරන ලද ගෙවිය යුතු හිඟ වැටුප්, දිරි දීමනා සහ ප්‍රසාද දීමනා ශේෂය වූ රු.1,936,904 ක වටිනාකම විගණිත දින වන විටත් පියවා නොතිබුණු අතර එම ශේෂය ගෙවිය යුතු නිලධාරීන් කවුරුන්ද යන්න තහවුරුකර ගෙන නොතිබුණි.
- (ඉ) 2020/2021 හා 2021/2022 යන මූල්‍ය වර්ෂයන් වලදී ඉදිරියට ගෙවීම් කරන ලද රක්ෂණ වාරික වටිනාකම හඳුනාගෙන එම වර්ෂයන් තුළදී ගිණුම් ගත කර නොතිබුණි. එම ගිණුම්කරණ අඩුපාඩු සමාලෝචිත වර්ෂය තුළදී නිවැරදි කිරීමේදී ඉදිරියට කළ රක්ෂණ වාරික ගිණුමේ ශේෂය රු.3,471,617 කින් හා සමාලෝචිත වර්ෂයේ ලාභය රු.3,201,816 කින් වැඩියෙන් දක්වා තිබුණි.
- (ඊ) සමාගමේ ප්‍රධාන ගබඩාවේ සිට ප්‍රාදේශීය පොහොර ගබඩා සහ ගොවිජන සේවා මධ්‍යස්ථාන වෙත පොහොර ප්‍රවාහනය කිරීම වෙනුවෙන් දරන ලද රු.763,314,221 ක වියදම විකිණීමේ හා බෙදාහැරීමේ වියදම් ලෙස නොගෙන එම වියදම විකුණුම් පිරිවැය යටතේ ගිණුම් ගත කොට තිබුණි.
- (උ) 2021/2022 මූල්‍ය වර්ෂයේ දී බහාලුම් කාර්යාල ක්ෂය රු.274,290 ක් අඩුවෙන් ගිණුම්ගත කිරීමට අදාළව ප්‍රවර්තන වර්ෂයේ ගැලපුම් කිරීමේදී රඳවාගත් ඉපයුම් වලට ගැලපුම් නොකර ප්‍රවර්තන වසරේ බහාලුම් කාර්යාල ක්ෂය ගිණුමට රු.326,550 ක වටිනාකමක් හර කිරීම හේතුවෙන් ප්‍රවර්තන වසරේ ලාභය එම ප්‍රමාණයෙන් අධිතක්සේරු වී තිබුණි.
- (ඌ) 2020/2021 වර්ෂයේදී පාරිභෝජන ද්‍රව්‍ය ගිණුමේ ඇතුළත් ලිපිද්‍රව්‍ය, ජල නළ උපාංග, ගොඩනැගිලි ද්‍රව්‍ය සහ වාහන අමතර කොටස් යනාදියේ රු.2,441,181 ක ඌනතාවය සම්බන්ධයෙන් සිදු කල පරීක්ෂාවේ දී රු.2,010,196 ක් වටිනා නිකුත් නොවූ ස්ථාවර වත්කම් හා රු.15,470 ක් වටිනා පාරිභෝජන අයිතමයන් භෞතික තොගයට ඇතුළත් වී නොමැති බවත්, ඒ අනුව සත්‍ය ඌනතාවය රු.415,514 ක් බව විගණනයට වාර්තා කලද, ඒ සම්බන්ධයෙන් කිසිදු ගැලපීමක් සිදු නොකර ලැබිය යුතු වටිනාකමක් ලෙස දක්වා තිබුණි. සමාලෝචිත වර්ෂයේ ඊට අදාළ ගැලපුම් කිරීමේ දී එම වටිනාකම පාරිභෝජන ද්‍රව්‍ය ගිණුමට හර කර හඳුනා නොගත් තොග විවලනා ගිණුමට (Unrealized Stock Variance) බැර කිරීම කර තිබුණි. ඒ හේතුවෙන් ජංගම නොවන වත්කම් රු.2,010,196 කින් අව තක්සේරු වී රඳවාගත් ඉපයුම් රු. 415,514 කින් අධි තක්සේරු වී තිබුණි.

- (ඵ) ආනයනික පොහොර නියැදි පරීක්ෂණ හා විශ්ලේෂණ වාර්තා වෙනුවෙන් පෙර වර්ෂය තුළ දරන ලද රු.732,188 ක මුදල වියදම් ගිණුමට හර නොකොට අත්තිකාරම් ගිණුමකට හර කර තිබුණි. සමාලෝචිත වර්ෂයේදී එම වරද නිවැරදි කිරීමේදී එම වටිනාකම රඳවාගත් ඉපැයුම් ගිණුම තුළ ගැලපීම් නොකොට ණයවර ලිපි ගාස්තු ගිණුමට හර කර තිබීම හේතුවෙන් වර්ෂයේ ලාභය එම ප්‍රමාණයෙන් අවතක්සේරු වී තිබුණි.
- (ඵ) පෙර වර්ෂයේදී වැඩිපුර ගිණුම්ගත කළ නැව්ගත කිරීමේ වියදම වූ රු.500,000 ක වටිනාකම නිවැරදි කිරීම සමාලෝචිත වර්ෂයේදී සිදුකර තිබුණි.එම ගැලපීම් රඳවාගත් ඉපැයුම් ගිණුම් තුළ ගැලපීම් නොකොට වර්ෂයේ ප්‍රවාහන හා හැසිරවීමේ වියදම් ගිණුම් බැර කිරීම හේතුවෙන් වර්ෂයේ ලාභය එම ප්‍රමාණයෙන් අධිතක්සේරු වී තිබුණි.
- (ඹ) සමාලෝචිත වර්ෂයේ දේශීය පොහොර මිලදී ගැනීම් වෙනුවෙන් දරන රු.474,086,056 ක වියදම පොහොර ආනයන ගැණුම් වටිනාකමට ඇතුළත්කර තිබුණි. එහෙත් ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති 1 හි 45 ඡේදය ප්‍රකාරව මූල්‍ය ප්‍රකාශන අයිතම පෙර වර්ෂයන්ට අනුරූපීව ඉදිරිපත් කිරීම හා වර්ගීකරණය කිරීම සිදුකර නොතිබුණු අතර පෙර වර්ෂයේදී ද විගණනය විසින් නිරීක්ෂණය කළ මෙම වරද නිවැරදි කිරීමට සමාගම විසින් කටයුතු කර නොතිබුණි.
- (ඹ) 2021/2022 මූල්‍ය වර්ෂය තුළදී එනම් රසායනික පොහොර තහනම ක්‍රියාත්මක වන කාලයේදී ජාතික පොහොර ලේකම් කාර්යාලයේ අධ්‍යක්ෂකගේ අංක SMFI/2/D/NFS/11 පොදු දරන 2021 සැප්තැම්බර් 14 දිනැති ලිපිය මගින් කළ ඉල්ලීමකට අනුව සමාගම ආනයනය කර තිබූ යූරියා පොහොර තොගයෙන් මෙ.ටොන් 10 ක තොගයක් පුද්ගලික සමාගමකට ලබා දී තිබුණි. එහි වාණිජ වටිනාකම ලෙස ලබාගෙන තිබූ රු.900,000 ක ඇප තැන්පතුව ණය හිමි ගිණුමට බැර කරනු වෙනුවට ණයගැති ගිණුමට බැර කර තිබුණි. සමාලෝචිත වර්ෂයේ ඊට අදාළ ගැළපුම් නිවැරදි කිරීමේදී නැවතත් උක්ත වටිනාකම ණයගැති ගිණුමට හර කරනු වෙනුවට තොග ගැළපුම් ගිණුමට හර තිබීම හේතුවෙන් දළ ලාභය, ජංගම වත්කම් හා ජංගම වගකීම් රු.900,000 කින් අවතක්සේරු වී තිබුණි.
- (ක) සමාගමේ ලංකා බැංකුවේ අංක 1630339 හා මහජන බැංකුවේ අංක 204501 දරන ජංගම ගිණුම් 02 කට බැර වන සියලුම මුදල් අත්තිකාරම් ලැබීම් (Receipt in advance) නමින් ලෙජර් ගිණුමකට ගිණුම්ගතකර තිබුණු අතර අත්පිට විකුණුම් ද අත්තිකාරම් ලැබීම් ලෙස ගිණුම් ගත කර පසු අවස්ථාවකදී විකුණුම් ආදායම් ගිණුමකට මාරු කරන බව නිරීක්ෂණය විය. ඒ අනුව උක්ත ජංගම ගිණුම් වලට බැරවන මුදල් නිශ්චිතව හඳුනා ගැනීමේ ක්‍රමවේදයක් හඳුනා ගෙන නිවැරදි ගිණුම් වලට ගිණුම්ගත කිරීමට හා නිරවුල් කර ගැනීමට කටයුතු කර නොතිබුණු අතර 2023 මාර්තු 31 දිනට රු.5,602,753ක නිරවුල් නොකළ බැර ශේෂයක් මූල්‍ය ප්‍රකාශන වල හෙළිදරව් කර තිබුණි. මෙම ශේෂය තහවුරු කිරීම සඳහා ශේෂ තහවුරු ලිපි විගණනය වෙත ඉදිරිපත් කර නොතිබුණි.
- (ග) සමාලෝචිත වර්ෂය අවසාන දිනට පැවති ණයගැති ශේෂය රු.1,066,771,612 ක් වන අතර එම ශේෂය තුළ එනම් වර්ෂ 1-2 දක්වා පැරණි රු.918,765,715 ක ශේෂයක් ද වර්ෂ 2-3 දක්වා පැරණි රු.120,500 ක ශේෂයක් ද වර්ෂ 4-5 දක්වා පැරණි රු.807,650 ක ශේෂයක්ද වර්ෂ 5-6 දක්වා පැරණි රු.56,596,887 ක ශේෂයක්ද වර්ෂ 9-10 දක්වා පැරණි රු.878,607 ක ශේෂයක්ද වර්ෂ 10 කට වඩා වැඩි රු.86,502,049 ක ශේෂයක්ද

පවතින බව විගණනයේදී නිරීක්ෂණය විය. වර්ෂ 10 කට වඩා වැඩි ශේෂයෙන් රු.86,308,870 ක්ම රජයේ ආයතන වලින් ලැබිය යුතු ණයගැති ශේෂයන් වන අතර ඒවා නිරවුල් කර ගැනීමට හා නිවැරදිභාවය තහවුරු කර ගැනීමට සමාගම විසින් ඵලදායී ක්‍රියාමාර්ග ගෙන නොතිබුණි.

- (ව) සමාලෝචිත වර්ෂය අවසානයට පැවති කොම්පෝස්ට් මෙ.ටොන් 3,153 ක් රු.38,063,251 ක වටිනාකමකට ඒවා මිලදී ගැනීමේ වාර්තා අනුව පැවති නයිට්‍රජන් ප්‍රතිශතය වර්ගීකරණය කර මිල තීරණය කර තිබුණි. එහෙත් ඒවායේ පවතින නයිට්‍රජන් ප්‍රතිශතය ගබඩා කිරීමේ හා කාලගුණික තත්ත්ව අනුව වෙනස්වීම මත තොගයේ වටිනාකම සලකා බලා නොමැති බව විගණනයේදී නිරීක්ෂණය විය.
- (ජ) සමාලෝචිත වර්ෂය අවසාන දිනට නැතෝ නයිට්‍රජන් දියර පොහොර මි.ලීටර 500 බෝතල් 701 ක් භෞතිකව පවතින බවත් එහි වටිනාකම එක් බෝතලයක් රු.7.50 බැගින් රු.5,257.50 ක් ලෙස සඳහන් කර තිබුණි. නැතෝ නයිට්‍රජන් දියර පොහොර බෝතලයක් මිලදී ගැනුම් වටිනාකම රු.2,040 ක් වන අතර එය රු.7.50 කට අගය කිරීම මත තොගයේ වටිනාකම අඩුවීම තොග භාතියක්/අවකරණයක් ලෙස මූල්‍ය ප්‍රකාශන වල ගැලපීම් සිදු කර නොතිබුණි. 2021 වර්ෂයේ ආනයනය කර තිබුණු එම දියර පොහොර සමාලෝචිත වර්ෂය අවසාන දිනට කල් ඉකුත් වීම සිදු වී ඇති අතර ඒවායේ ශුද්ධ උපලබ්ධි අගයක් නොමැති බවත් එම පොහොර නොමිලේ නිකුත් කිරීම සඳහා එවකට පැවති කෘෂිකර්ම රාජ්‍ය අමාත්‍යාංශයේ ප්‍රතිපාදන වලින් මිලදී ගෙන තිබුණු බවත් ඒ අනුව සමාගමේ තොගයක් ලෙස අගය කිරීම නිවැරදි නොවන බවත් නිරීක්ෂණය වේ.
- (ච) සමාලෝචිත වර්ෂය තුළදී කෘෂිකර්ම අමාත්‍යාංශය විසින් ණය හා ආධාර යටතේ ගෙන්වන ලද යූරියා, ටී.එස්.පී. සහ එම්.ඕ.පී. පොහොර තොගයන්ගෙන්, බෙදා හැරීමේ සහ විකිණීමේ කටයුතු සඳහා සමාගම වෙත ලබා දී තිබුණු පොහොර මෙ.ටොන් 15,009,964 වෙනුවෙන් සමාගම විසින් දරන ලද වියදම් මත භාණ්ඩාගාරයෙන් ප්‍රතිපූර්ණය කරගතයුතු වටිනාකමේ එකතුව රු.1,687,821,803 ක් ලෙස මූල්‍ය ප්‍රකාශන තුළ දක්වා තිබුණද, එම වියදම්වලට අදාළ ගෙවීම් වඩුවර් පරික්ෂාවේදී සමාගම විසින් සිදුකර ඇති සත්‍ය වියදම් හා භාණ්ඩාගාරයෙන් ප්‍රතිපූර්ණය කිරීමට ගණනයකර ඇති වටිනාකම් අතර වෙනස්කම් නිරීක්ෂණය වූ අතර සත්‍ය වියදමට වඩා රු.9,327,156 ක් භාණ්ඩාගාරයෙන් ප්‍රතිපූර්ණය කරගත හැකි ලෙස දක්වා ඇති වටිනාකම තුළ ඇතුළත්කර ඇති බවට නිරීක්ෂණය විය.
- (ඔ) පෙර වර්ෂයේ සභානාධාර පොහොර ගෙන්වීම වෙනුවෙන් භාණ්ඩාගාරයෙන් ලැබිය යුතු ලෙස ගිණුම් ගතකර තිබුණු වටිනාකමට වඩා රු.3,239,944 ක් සමාලෝචිත වර්ෂය තුළදී සමාගමට ලැබී එම වටිනාකම ගිණුම් තැබීමේදී රඳවා ගත් ඉපැයුම් ගිණුමට ගැලපීම් නොකොට වර්ෂයේ ගැණුම් පිරිවැයෙන් අඩුකර දක්වා තිබීම හේතුවෙන් එම වටිනාකමින් සමාලෝචිත වර්ෂයේ මෙහෙයුම් ලාභය අධිතක්සේරු වී තිබුණි.
- (න) සමාලෝචිත වර්ෂය තුළදී ණය හා ආධාර යටතේ සමාගම වෙත ලැබී තිබුණු එම්.ඕ.පී, ටී.එස්.පී. සහ යූරියා පොහොර වෙනුවෙන් භාණ්ඩාගාරයෙන් ප්‍රතිපූර්ණය කර ගතහැකි වියදම් ලෙස හඳුනාගෙන තිබුණු වියදම් හි එකතුව වටිනාකම ගණනය කිරීමේදී රු.255,891,350 ක් අඩුකර දක්වා තිබූ අතර ඊට අදාළ ජ'නල් වඩුවරය සමඟ ඉදිරිපත් කර ඇති උපකාරක ලියවිලි තුළ කේ.සී.එල්. පොහොර විකිණීමේදී අදාළ තොරතුරු

ඇතුළත්ව තිබූ අතර ඒ සඳහා සමාගමෙන් පැහැදිලි හා නිශ්චිත තොරතුරු ඉදිරිපත් නොවීමත් සාමාලෝචිත වර්ෂය තුළ කේ.සී.එල්. පොහොර ණය හෝ ආධාර ක්‍රමයන් යටතේ ගෙන්වා නොතිබීමත් හේතුවෙන් එම වටිනාකම සම්බන්ධයෙන් තහවුරුවක් ලබා ගැනීමට විගණනයට නොහැකි විය.

(ද) සාමාලෝචිත වර්ෂය තුළදී ණය හා ආධාර යටතේ ගෙන්වන ලද පොහොර නිෂ්කාශනය, ප්‍රවාහනය, බෙදාහැරීම සහ පරිපාලන කටයුතු වෙනුවෙන් සමාගම විසින් වියදම් දරා එම වියදම් භාණ්ඩාගාරයෙන් ප්‍රතිපූර්ණය කර ගැනීමට සමාගමට අවසරය හිමිව තිබුණි. කෙසේ වෙතත් සමාගම විසින් ආදාළ පොහොර නොගයන් වෙනුවෙන් දරන ලද වියදම් වර්ග වෙන් වෙන්ව හඳුනාගෙන තිබුණද සමාගමේ වියදම් නොවන ප්‍රතිපූර්ණයකර ගතහැකි එම වියදම් ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 20 ට අනුකූලව ක්‍රියා නොකොට ප්‍රතිපූර්ණයකර ගතහැකි වියදම් හි මුළු එකතුව ගැණුම් පිරිවැය යටතේ අඩුකර දක්වා තිබුණි. එහිදී සෘජු පිරිවැය යටතේ ගිණුම්ගතකර ඇති රු.715,031,170 ක් හා පරිපාලන වියදම් යටතේ ගිණුම්ගතකර ඇති රු.292,493,832 ක් ද එම වියදම තුළට ඇතුළත්ව තිබීම හේතුවෙන් එම වියදම්හි අසාමාන්‍ය වැඩි වීමක් සහ ගැණුම් පිරිවැය රු.300,854,825 ක අසාමාන්‍ය බැර අගයක් ගෙන තිබුණි.

(න) 2015 වර්ෂයේදී සමාගමේ ගබඩා පරිශ්‍රයේ බිම කාපටි කිරීම සඳහා ටෙන්ඩර් කැඳවීමකින් පසුව තෝරාගත් කොන්ත්‍රාත්කරුවෙකු විසින් ලබා දුන් අත්තිකාරම් බැංකු ඇපකරය නියමිත කොන්දේසි අනුගමනය කර ලබා ගැනීමකට එවකට සිටි ප්‍රසම්පාදන කළමනාකරු අපොහොසත් වීම නිසා සමාගම විසින් වත්තල කම්කරු විනිශ්චයාධිකාරයේ අංක 31/26/2019 දරන නඩුකරයක් ගොනුකර ඇති අතර ඊට අදාළ නියෝගය 2022 ජූලි 08 දින ප්‍රකාශයට පත් කර තිබුණි. ඒ අනුව උක්ත නිලධාරියා වැරදිකරු බව තීරණය වී ඇති අතර ඒ වන විටත් ඔහු සිය කැමැත්තෙන් සේවය හැර ගොස් තිබුණි. සමාගම විසින් 2015 ජූනි 17 දින සිට නිලධාරියාගේ වැටුප් නතර කොට ඔහුට ගෙවිය යුතු හිඟ වැටුප ලෙස රු.917,910 ක් ගෙවිය යුතු වියදම් ගිණුමට බැරකොට තිබුණු අතර උක්ත වටිනාකම තවදුරටත් ගෙවිය යුතු වටිනාකමක් ලෙස ගිණුම්වල දැක්වීම හේතුවෙන් ජංගම නොවන වගකීම් එම ප්‍රමාණයෙන් අධිකක්සේරු වී තිබුණි.

ශ්‍රී ලංකා විගණන ප්‍රමිතවලට (ශ්‍රී.ලං.වි.ප්‍ර) අනුකූලව මා විගණනය සිදු කරන ලදී. මෙම විගණන ප්‍රමිතිය යටතේ වූ මාගේ වගකීම, මෙම වාර්තාවේ මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම යන කොටසේ තවදුරටත් විස්තර කර ඇත. මාගේ තත්වගණනය කළ මතය සඳහා පදනමක් සැපයීම උදෙසා මා විසින් ලබාගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් සහ උචිත බව මාගේ විශ්වාසයයි.

1.3 සමාගමේ 2023 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු

මෙම විගණන වාර්තාවේ දිනට පසුව මට ලබා දීමට බලාපොරොත්තු වන සමාගමේ 2023 වාර්ෂික වාර්තාවේ ඇතුළත් කර ඇති නමුත් මූල්‍ය ප්‍රකාශන සහ ඒ පිළිබඳව වූ මගේ විගණන වාර්තාවේ ඇතුළත් නොවන තොරතුරු, අනෙකුත් තොරතුරු යන්නෙන් අදහස් වේ. මෙම අනෙකුත් තොරතුරු සඳහා කළමනාකරණය වගකිව යුතුය.

මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් වූ මගේ මතයෙන් අනෙකුත් තොරතුරු ආවරණය නොකරන අතර මම ඒ පිළිබඳ කිසිදු ආකාරයක සහතිකවීමක් හෝ මතයක් ප්‍රකාශ නොකරමි.

මූල්‍ය ප්‍රකාශන පිළිබඳ මගේ විගණනයට අදාළව, මගේ වගකීම වන්නේ ඉහත හඳුනාගත් අනෙකුත් තොරතුරු ලබා ගත හැකි වූ විට කියවීම සහ එසේ කිරීමේදී අනෙකුත් තොරතුරු මූල්‍ය ප්‍රකාශන සමඟ හෝ විගණනයේදී හෝ වෙනත් ආකාරයකින් ලබාගත් මාගේ දැනුම අනුව ප්‍රමාණාත්මක වශයෙන් නොගැලපෙනවාද යන්න සලකා බැලීමයි.

සමාගමේ 2023 වාර්ෂික වාර්තාව කියවන විට, එහි ප්‍රමාණාත්මක වරදවා දැක්වීම් ඇති බව මම නිගමනය කළහොත්, නිවැරදි කිරීම සඳහා පාලනය කරන පාර්ශවයන් වෙත එම කරුණු සන්නිවේදනය කළ යුතුය. තවදුරටත් නිවැරදි නොකළ වරදවා දැක්වීම් තිබේ නම්, ඒවා ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(6) ව්‍යවස්ථාව ප්‍රකාරව මා විසින් යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලබන වාර්තාවට ඇතුළත් කරනු ඇත.

1.4 මූල්‍ය ප්‍රකාශන පිළිබඳ කළමනාකරණයේ සහ පාලනය කරන පාර්ශවයන්ගේ වගකීම

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.

1.5 මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම

සමස්තයක් ලෙස මූල්‍ය ප්‍රකාශන, වංචා සහ වැරදි නිසා ඇතිවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොර බවට සාධාරණ තහවුරුවක් ලබාදීම සහ මාගේ මතය ඇතුළත් විගණන වාර්තාව නිකුත් කිරීම මාගේ අරමුණ වේ. සාධාරණ සහතිකවීම උසස් මට්ටමේ සහතිකවීමක් වන නමුත්, ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනය සිදු කිරීමේදී එය සෑමවිටම ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් අනාවරණය කරගන්නා බවට වන තහවුරු කිරීමක් නොවනු ඇත. වංචා සහ වැරදි තනි හෝ සාමූහික ලෙස බලපෑම නිසා ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවිය හැකි අතර, එහි ප්‍රමාණාත්මක භාවය මෙම මූල්‍ය ප්‍රකාශන පදනම් කරගනිමින් පරිශීලකයන් විසින් ගනු ලබන ආර්ථික තීරණ කෙරෙහි වන බලපෑම මත රඳා පවතී.

ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනයේ කොටසක් ලෙස මා විසින් විගණනයේදී වෘත්තීය විනිශ්චය සහ වෘත්තීය සැකමුසුබවින් යුතුව ක්‍රියා කරන ලදී. මා විසින් තවදුරටත්,

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවීමේ අවදානම් හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, වේතනාන්විත මහඟුරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මඟ හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.
- අභ්‍යන්තර පාලනයේ සඵලදායීත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවුවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබාගන්නා ලදී.
- භාවිතා කරන ලද ගිණුම්කරණ ප්‍රතිපත්තිවල උචිතභාවය, ගිණුම්කරණ ඇස්තමේන්තුවල සාධාරණත්වය සහ කළමනාකරණය විසින් කරන ලද සම්බන්ධිත හෙළිදරව් කිරීම් අගයන ලදී.
- සිද්ධීන් හෝ තත්ත්වයන් හේතුවෙන් සමාගමේ අඛණ්ඩ පැවැත්ම පිළිබඳ ප්‍රමාණාත්මක අවිනිශ්චිතතාවයක් තිබේද යන්න සම්බන්ධයෙන් ලබාගත් විගණන සාක්ෂි මත පදනම්ව ගිණුම්කරණය සඳහා ආයතනයේ අඛණ්ඩ පැවැත්ම පිළිබඳ පදනම යොදා ගැනීමේ අදාළත්වය තීරණය කරන ලදී. ප්‍රමාණවත් අවිනිශ්චිතතාවයක් ඇති බවට මා නිගමනය කරන්නේ නම් මූල්‍ය ප්‍රකාශනවල ඒ සම්බන්ධයෙන් වූ හෙළිදරව් කිරීම් වලට මාගේ විගණන වාර්තාවේ අවධානය යොමු කළ යුතු අතර, එම හෙළිදරව් කිරීම් ප්‍රමාණවත් නොවන්නේ නම් මාගේ මතය විකර්ණය කළ යුතුය. කෙසේ වුවද, අනාගත සිද්ධීන් හෝ තත්ත්වයන් මත අඛණ්ඩ පැවැත්ම අවසන් වීමට හැකිය.
- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත් වී ඇති බව සහ හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල සමස්ත ඉදිරිපත් කිරීම අගයන ලදී.

මාගේ විගණනය තුළදී හඳුනාගත් වැදගත් විගණන සොයාගැනීම්, ප්‍රධාන අභ්‍යන්තර පාලන දුර්වලතා හා අනෙකුත් කරුණු පිළිබඳව පාලනය කරනු ලබන පාර්ශවයන් දැනුවත් කරමි.

2. වෙනත් තෛතික හා නියාමන අවශ්‍යතා පිළිබඳ වාර්තාව

2.1 2018 අංක 19 දරන ජාතික විගණන පනතේ සහ 2007 අංක 7 දරන සමාගම් පනතේ පහත සඳහන් අවශ්‍යතාවයන් සම්බන්ධයෙන් විශේෂ ප්‍රතිපාදන ඇතුළත් වේ.

2.1.1 මාගේ වාර්තාවේ තත්ත්ව විගණනය කළ මතය සඳහා පදනම කොටසේ විස්තර කර ඇති කරුණු වලින් වන බලපෑම හැර, 2007 අංක 7 දරන සමාගම් පනතේ 163 (2) වගන්තියේ සහ 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (අ) වගන්තියේ සඳහන් අවශ්‍යතාවන් අනුව, විගණනය සඳහා අවශ්‍ය සියලු තොරතුරු සහ පැහැදිලි කිරීම් මා විසින් ලබාගන්නා ලද අතර, මාගේ පරීක්ෂණයෙන් පෙනී යන ආකාරයට නිසි මූල්‍ය වාර්තා සමාගම පවත්වාගෙන ගොස් තිබුණි.

- 2.1.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 6 (1) (ඇ) (iii) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වේ.
- 2.1.3 2018 අංක 19 දරන ජාතික විගණන පනතේ 6(1) (ඇ)(iv) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව මාගේ වාර්තාවේ 1.2 කොටසේ 1.2 (ආ)(ඇ)(ඉ)(උ)(ඌ), (ඵ), (බ), (ඇ), (ඈ), (ඉ), (ඊ), (උ), (ඌ), (ඍ), (ඎ), (ඏ), 2.2.2 (අ),(ආ), 2.2.4 (ඇ) යටතේ දක්වා ඇති නිර්දේශයන් හැර ඉකුත් වර්ෂයේදී මා විසින් සිදුකරන ලද නිර්දේශයන් ඉදිරිපත් කරන ලද මූල්‍ය ප්‍රකාශනවල ඇතුළත්ව ඇත.
- 2.2 අනුගමනය කරන ලද ක්‍රියාමාර්ග සහ ලබා ගන්නා ලද සාක්ෂි මත හා ප්‍රමාණාත්මක කරුණුවලට සීමා කිරීම තුළ, පහත සඳහන් ප්‍රකාශ කිරීමට තරම් කිසිවක් මාගේ අවධානයට ලක් නොවීය.
- 2.2.1 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (ඇ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ පාලක මණ්ඩලයේ යම් සාමාජිකයෙකුට සමාගම සම්බන්ධවී යම් ගිවිසුමක් සම්බන්ධයෙන් සෘජුව හෝ අන්‍යාකාරයකින් සාමාන්‍ය ව්‍යාපාරික තත්වයෙන් බැහැරව සම්බන්ධයක් ඇති බව.
- 2.2.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (ඊ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණ හැර යම් අදාළ ලිඛිත නීතියකට හෝ සමාගමේ පාලක මණ්ඩලය විසින් නිකුත් කරන ලද වෙනත් පොදු හෝ විශේෂ විධානවලට අනුකූල නොවන ලෙස ක්‍රියා කර ඇති බව.

නීතිරීති හා රෙගුලාසි වලට යොමුව නිරීක්ෂණ

- (අ) 2021 නොවැම්බර් 16 දිනැති භාණ්ඩාගාර ලේකම්ගේ අංක 01/2021 දරන රාජ්‍ය ව්‍යාපාර වකුලේඛය සමඟ නිකුත් කරන ලද මෙහෙයුම් අත්පොතෙහි 6.6 වගන්තිය ගිණුම් වර්ෂය අවසන් වී දින 60 ක් ඇතුළත සෑම රාජ්‍ය සමාගමක්ම මූල්‍ය ප්‍රකාශන පිළියෙලකොට විගණකාධිපති වෙත ඉදිරිපත් කළ යුතු වුවත්, 2022/2023 වර්ෂයේ මූල්‍ය ප්‍රකාශන ගිණුම් වර්ෂය අවසන් වී දින 242 ක් ගතවීමෙන් පසුව විගණකාධිපති වෙත ඉදිරිපත්කර තිබුණි.
- (ආ) 2021 නොවැම්බර් 16 දිනැති භාණ්ඩාගාර ලේකම්ගේ අංක 01/2021 දරන රාජ්‍ය ව්‍යාපාර වකුලේඛය සමඟ නිකුත් කරන ලද මෙහෙයුම් අත්පොතෙහි 6.6 වගන්තිය ගිණුම් වර්ෂය අවසන් වී මාස 05ක් ඇතුළත සමාගමේ වාර්ෂික වාර්තාව පාර්ලිමේන්තුවේ සභාගත කළ යුතු වුවද 2023 වර්ෂයේ වාර්ෂික වාර්තාව විගණිත දිනය වනවිටත් පාර්ලිමේන්තුවේ සභාගතකර නොතිබුණි.

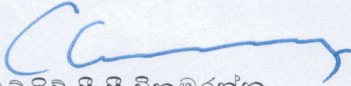
- 2.2.3 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (උ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ බලතල, කර්තව්‍ය සහ කාර්යයන්ට අනුකූල නොවන ලෙස කටයුතු කර ඇති බව.
- 2.2.4 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (ඌ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණ හැර සමාගමේ සම්පත් සකසුරුවම් ලෙස, කාර්යක්ෂම ලෙස සහ ඵලදායී ලෙස කාලසීමාවන් තුළ අදාළ නීතිරීති වලට අනුකූලව ප්‍රසම්පාදනය කර භාවිතා කර ඇති බව.

- (අ) සමාගම විසින් රු.22,910,795 ක් වැය කර පරිගණක පද්ධතියක් ප්‍රතිස්ථාපනය කර ක්‍රියාත්මක කරගෙන යමින් තිබුණද සමාලෝචිත වර්ෂයේ මූල්‍ය ප්‍රකාශන හා ලෙජර ගිණුම් අත්පොත් ක්‍රමයට (Manual) සිදුකර තිබීම හේතුවෙන් විශාල පිරිවැයක් දරා මිලදී ගන්නා ලද පරිගණක පද්ධතිය තුළින් මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේ හැකියාව සම්බන්ධයෙන් විගණනයේදී ගැටළු සහගත වන අතර ඉහත පරිගණක පද්ධතිය ඵලදායීව උපයෝජන නොකරන බව විගණනයේදී නිරීක්ෂණය විය.
- (ආ) සමාගමේ අභ්‍යන්තර විගණන නිලධාරී අනුමත තනතුරු සංඛ්‍යාව 01ක් වුවත් සමාලෝචිත වර්ෂය අවසාන දිනට ත්‍යාග සංඛ්‍යාව 04 ක් විය. එම අතිරික්ත සංඛ්‍යාව අනුමත කර ගැනීමට කටයුතු කර නොතිබුණි.
- (ඇ) මාතලේ දිස්ත්‍රික්කය තුළ ලක්පොහොර ගබඩාව ස්ථාපිත කර ඇති වාරියපොල වත්ත නැමැති පර්. 29.93 ක් වපසරිය සහිත ඉඩම, ඉඩම් ප්‍රතිසංස්කරණ කොමිෂන් සභාව විසින් 2020 සැප්තැම්බර් 10 දින සමාගම වෙත ඔප්පුවක් මගින් නිත්‍යානුකූලව පවරාදී ඇතත් එම ඉඩම තක්සේරුකර ගිණුම්ගත නොකිරීම හේතුවෙන් මූල්‍ය ප්‍රකාශන තුළ ජංගම නොවන වත්කම් අවතක්සේරු වී තිබුණි.
- (ඈ) රසායනික පොහොර ආනයනය තහනම් කිරීමෙන් පසු රජයේ පොහොර ප්‍රතිපත්ති ක්‍රියාත්මක කිරීමට සමාගමේව පරිසර හිතකාමී පොහොර මිලදී ගැනීමේ වැඩසටහන යටතේ, සමාගමේ අභ්‍යන්තර වක්‍රලේඛ අංක 2021/GM/02 හා 2021 සැප්තැම්බර් 15 දිනැති හා මගින් ප්‍රාදේශීය ගබඩා වෙතින් පොහොර සැපයුම්කරුවන් ලියාපදිංචිකොට ගෙන ඔවුන්ගෙන් කාබනික හා කොම්පෝස්ට් පොහොර මිලදී ගැනීමට අවස්ථාව සලසා දී තිබුණි. එසේ මිලදී ගත් පොහොර ඉතා අඩු අලෙවියක් සිදු වී ඇති අතර, 2023 මාර්තු 31 දින වන විට මෙ.ටොන් 902 ක ප්‍රමාණයක් අලෙවි නොවී ගබඩාවන් තුළ ගොඩගසා තිබූ බවත් නිරීක්ෂණය විය.
- (ඉ) සමාගම සතුව 2023 මාර්තු 31 දින වන විට මෙ.ටොන් 56 ක කල් ඉකුත් වූ රසායනික පොහොර තොගයක් හා මෙ.ටොන් 26.7 ක ඇමදුම් පොහොර (Sweeping) ප්‍රමාණයක් පැවති අතර ඒවා බැහැර කිරීම සම්බන්ධයෙන් කළමනාකරණය කිසිදු ක්‍රියාමාර්ගයක් ගෙන නොතිබුණි.
- (ඊ) ප්‍රසම්පාදන කමිටු තීරණය අනුව එක් පොහොර ප්‍රවාහනකරුවෙකුට දිස්ත්‍රික්කයකට හෝ යම් පළාතකට ප්‍රවාහණය කල හැකි ප්‍රාදේශීය පොහොර ගබඩාව සහ ඊට අදාළ ගොවිජන සේවා මධ්‍යස්ථාන වෙත පොහොර ප්‍රවාහනයට පමණක් ලංසු ප්‍රදානය කර ගිවිසුමකට තිබියදී එසේ ප්‍රවාහනය ප්‍රදානය නොකල දිස්ත්‍රික් හා පළාත් සඳහාද එකම ප්‍රවාහන කරු ප්‍රවාහන කල අවස්ථා විගණනයේදී නිරීක්ෂණය විය. උදාහරණ ලෙස අම්පාර දිස්ත්‍රික්කයේ පොතුවිල් ප්‍රාදේශීය පොහොර ගබඩාව සහ ඊට අදාළ ගොවිජන සේවා මධ්‍යස්ථාන වෙත පොහොර ප්‍රවාහනයට පමණක් ලංසු ප්‍රදානය කර ගිවිසුමකට තිබියදී ඔහුට ලංසු ප්‍රදානය නොකල හම්බන්තොට, රත්නපුර, මහනුවර, පොලොන්නරුව, පුත්තලම, මන්නාරම, කිලිනොච්චිය, මුලතිව්, යාපනය යන දිස්ත්‍රික්ක වල පිහිටි ප්‍රාදේශීය පොහොර ගබඩා සහ අදාළ ගොවිජන සේවා මධ්‍යස්ථාන වෙත පොහොර ප්‍රවාහනය කර තිබූ බවට නිරීක්ෂණය විය.

- (උ) 2016 පෙබරවාරි 26 දිනැති අධ්‍යක්ෂ මණ්ඩල තීරණය ප්‍රකාරව කතරගම නිවාඩු නිකේතනයෙහි ඉදිකිරීම් කටයුතු තාවකාලිකව නතරකොට ඇති අතර සමාලෝචිත වර්ෂය අවසාන වන විටත් එහි ඉදිකිරීම් කටයුතු නැවත ආරම්භ කිරීමක් හෝ වෙනත් ඵලදායී කටයුත්තක් වෙනුවෙන් භාවිත කිරීමට කිසිදු පියවරක් ගැනීමක් සිදුකොට නොතිබුණු අතර ඒ සඳහා දරන ලද ප්‍රාරම්භක වියදම වූ රු.676,730 ක වටිනාකම තව දුරටත් නිෂ්කාර්ය වියදමක් බව විගණනයේදී නිරීක්ෂණය කෙරේ.
- (ඌ) පරිසර හිතකාමී කාබනික පොහොර වැඩසටහන යටතේ යුධ හමුදාව, සිවිල් ආරක්ෂක දෙපාර්තමේන්තුව සහ අනෙකුත් සුළු පරිමාණ නිෂ්පාදකයින් විසින් නිෂ්පාදනය කරනු ලබන කාබනික පොහොර සමාගම විසින් මිලදී ගෙන ගොවීන් වෙත සැපයීම සඳහා අවශ්‍ය හිස් මලු ලක්ෂ 05 ක අවශ්‍යතාවයක් තීරණය කර එයින් ලක්ෂ 2 ක් හදිසි මිලදී ගැනීම් යටතේ 2021 වර්ෂයේ ලියාපදිංචි වී ඇති සැපයුම්කරුවන්ගෙන් ලංසු කැඳවා අවම මිල ඉදිරිපත් කර තිබූ සැපයුම්කරු වෙතින් එකක් රු.68.98 බැගින් හිස් මලු 200,000 ක් මිලදීගෙන තිබුණි. නැවතත් 2021.09.23 දින හදිසි අවශ්‍යතාවය යටතේ මලු 200,000 ක ජරමාණයක් මිලදී ගැනීමට ඇණවුමක් නිකුත් කර තිබුණ ද දෙවන ඇණවුමට අදාළව සැපයුම් මලුවල පිරිවිතරයන් සමාගමේ පිරිවිතරයන්ට අනුකූල නොවූ බැවින් ගෙවීම් අත්හිටුවා තිබුණු බවට නිරීක්ෂණය විය. එලෙස හදිසි අවශ්‍යතාවය මත මිලදී ගත් රු.2,909,094 ක් වටිනා හිස් පොහොර මලු 58,596 ක ප්‍රමාණයක් විගණිත දිනය වූ 2024 ජනවාරි 30 දින වන විටත් ගබඩාව තුළ අවුරුදු 02 කට වැඩි කාලයක සිට ගොඩ ගසා තිබුණි. මෙම හිස් පොහොර මලු COMPOST යනුවෙන් මුද්‍රණය කර තිබීම හේතුවෙන් වෙනත් පොහොර ඇසුරුම් කිරීමේ කාර්යයක් සඳහා භාවිත කිරීමට හැකියාවක් නොපවතින බව ද තවදුරටත් නිරීක්ෂණය කෙරේ.
- (එ) පුද්ගලික සමාගමක් විසින් නිෂ්පාදිත කාබනික දියර පොහොර මිලදී ගෙන ඒවා නැවත සීමාසහිත ලංකා පොහොර සමාගම මගින් “සංස්ථා” නාමය යටතේ වෙළඳපොළට නිකුත් කිරීමට 2017 වර්ෂයේදී ගිවිසුම්ගත වී ඒ අනුව ලබාගත් කාබනික දියර පොහොර වලින් සුළු ප්‍රමාණයක් අලෙවිකර ඉතිරිය ගබඩා වල දිර්ඝ කාලයක සිට පැවතුණි. එම ඉතිරි වී ඇති දියර පොහොර ප්‍රමාණයෙන් ලීටර් 10,000 ක ප්‍රමාණයක් ගුණාත්මකභාවය වර්ධනය කිරීම සඳහා පුද්ගලික සමාගමක් වෙත කාබනික දියර පොහොර සුපෝෂණය කිරීමට භාර දී එම ආයතනය වෙත රු.5,560,000 ක අත්තිකාරම් මුදලක් පොහොර සමාගම ගෙවා තිබුණි. අදාළ ආයතනය විසින් ගිවිසුම් ප්‍රකාරව කාබනික දියර පොහොර සුපෝෂණය කිරීමට අදාළ කිසිදු කාර්යයක සිදු කර නොතිබුණි.

2.2.5 වෙනත් කරුණු

සමාගමට සිදුවී ඇති අලාභයන් අයකර ගැනීම සඳහා බාහිර පාර්ශවයන්ට එරෙහිව පැවරූ නඩු 07 ක්ද බාහිර පාර්ශවයන් විසින් සමාගමට එරෙහිව පැවරූ නඩු 01 ක්ද සමාලෝචිත වර්ෂය අවසාන දිනට පැවති අතර ඒ සම්බන්ධ තොරතුරු මූල්‍ය ප්‍රකාශන තුළ හෙළිදරව්කර නොතිබුණි.


 ඩබ්ලිව්.පී.සී.වික්‍රමරත්න
 විගණකාධිපති

දකුණු ආසියාතික මහා මණ්ඩලය

29 NOV 2023

අංක. ෦෧/5, "කොළඹ මන්දිරය"
රජමල්වත්ත, පටුමගල, බත්තරමුල්ල.

CEYLON FERTILIZER CO. LTD.

FINANCIAL STATEMENTS – 2022/2023

(1st APRIL 2022 TO 31st MARCH 2023)



Statement of Directors' Responsibilities

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

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

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

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

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

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

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

The Auditor General who was empowered to audit the Ceylon Fertilizer Co. Ltd. Under the provisions of Nineteenth amendment to the constitution of Democratic Socialist Republic of Sri Lanka, was provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements.

Compliance Report

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



Dr. B.K. Jagath Perera
Chairman

On behalf of the Board
Ceylon Fertilizer Co Ltd.

November 27th 2023

Chairman's and Financial Manager's Responsibility Statement

The Financial Statements of Ceylon Fertilizer Co. Ltd. As at 31st March 2023 are prepared and presented in compliance with the requirements of the following.

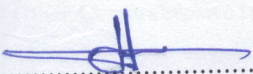
- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka;
- Companies Act No. 07 of 2007;
- Code of Best Practice on Corporate Governance issued by General Treasury


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

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

The Audit Committee of the Company meets periodically with the Internal Auditors and the Independent Auditors to review the effectiveness of the audits, and to discuss auditing, internal control and financial reporting issues. The Independent Auditors and the Internal Auditors have full and free access to the Audit Committee to discuss any matter of substance.

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


.....
Dr. B.K. Jagath Perera
Chairman


.....
Dharmila Gayani
Act. Manager (Finance)
November 27th 2023



CEYLON FERTILIZER COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH	Note	2023	2022
Revenue	3	536,112,271	1,209,392,948
Cost of Sales	4	(324,841,005)	(868,945,417)
Gross Profit		211,271,266	340,447,531
Other Operating Income	5	52,651,785	104,584,039
Administrative Expenses	6	(550,252,130)	(533,615,098)
Promotional Expenses	7	(8,992,489)	(151,485)
Profit from Operation		(295,321,568)	(88,735,013)
Finance Income	8	626,584,214	181,995,015
Finance Cost	8	(218,301,976)	(27,911,393)
Profit Before Taxation		112,960,670	65,348,609
Income Tax Expenses	9	7,840,166	16,227,311
Profit for the Year		120,800,836	81,575,919
Other Comprehensive Income			
Actuarial Gain/Loss on Obligation		-	-
Deferred Tax Benefits / (Expenses) on Actuarial Gain/Loss on Obligation		-	-
Deferred Tax Benefits / (Expenses) on Revaluation Surplus		(61,471,108)	941,065
Total Other Comprehensive Income		(61,471,108)	941,065
Total Comprehensive Income for the Year		59,329,728	82,516,985
Basic Earnings Per Share (EPS)	10.1	2.40	1.62
Dividends Per Share (DPS)	10.2	0.36	0.24

Note -During the fiscal year 2022-23, the company served as a distributor for the Government's Subsidy Fertilizer Distribution Program. Notably, our revenue reflects a significant decrease compared to the prior year, as the Government covered only the associated distribution expenses. This decline is intrinsic to our role as a distributor in a government-led subsidy initiative.

It is important to contextualize this decrease in revenue within the specific framework of our participation in the Subsidy Fertilizer Distribution Program during the reporting period.

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 24 form an integral part of these Financial Statements.

CEYLON FERTILIZER COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH	Note	2023	2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11	2,599,875,848	2,632,653,373
Capital Work-in-Progress	12	676,729	676,729
Intangible Assets	13	396,479	4,978,638
Total Non-Current Assets		2,600,949,056	2,638,308,740
Current Assets			
Inventories	14	281,493,596	94,985,181
Trade and Other Receivables	15	24,131,615,412	28,453,931,827
Employees Loans and Advances	16	41,567,777	35,470,521
Investments in Government Securities	17	958,141,229	807,101,718
Investments in Fixed Deposits	18	2,925,863,811	2,523,866,395
Cash and Cash Equivalents	19	499,185,028	297,704,965
Total Current Assets		28,837,866,853	32,213,060,606
Total Assets		31,438,815,909	34,851,369,347
EQUITY AND LIABILITIES			
Equity			
Stated Capital	20	502,456,080	502,456,080
Revaluation Reserve	21	2,256,835,668	2,318,306,775
Retained Earnings		3,660,120,415	3,569,463,352
Total Equity		6,419,412,163	6,390,226,207
Non-Current Liabilities			
Retirement Benefits Obligation	22	79,868,769	73,914,153
Deferred Taxation	23	115,263,533	100,894,788
Interest Bearing Borrowings	25	22,206,902,897	13,451,229,712
Total Non-Current Liabilities		22,402,035,199	13,626,038,653
Current Liabilities			
Trade and Other Payables	24	2,315,977,743	2,963,540,581
Interest Bearing Borrowings	25	209,041,249	11,768,854,035
Deposits and Advances Received	26	20,485,353	17,949,514
Income Tax Payables	27	47,097,424	21,019,056
Accrued Expenses and Provisions	28	24,766,778	63,741,301
Total Current Liabilities		2,617,368,547	14,835,104,486
Total Equity and Liabilities		31,438,815,909	34,851,369,347
Net Asset Value Per Share		127.76	127.18

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


Finance Manager

The Board of Directors is Responsible for Preparation and Presentation of these Financial Statements.

Approved and Signed for and on behalf of the Board,


Chairman

Date 27.11.2023

Colombo,


Director

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 24 form an integral part of these Financial Statements.

CEYLON FERTILIZER COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Stated Capital	Revaluation Reserve	Reserves	Total
Balance as at 01 April 2021	502,456,080	2,317,365,710	2,284,360,000	5,104,181,790
Prior Year Adjustments	-	-	(1,270,000)	(1,270,000)
Dividend Paid	-	-	(2,070,000)	(2,070,000)
Profit for the Year	-	-	1,270,000	1,270,000
Other Comprehensive Income	-	94,300	-	94,300
Balance as at 31 March 2022	502,456,080	2,318,309,710	2,283,290,000	5,104,055,790
Prior Year Adjustments	-	-	(1,270,000)	(1,270,000)
Dividend Paid	-	-	(2,070,000)	(2,070,000)
Profit for the Year	-	-	1,270,000	1,270,000
Other Comprehensive Income	-	(61,300)	-	(61,300)
Balance as at 31 March 2023	502,456,080	2,257,009,710	2,282,220,000	4,981,685,790

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 24 form an integral part of these Financial Statements.

CEYLON FERTILIZER COMPANY LIMITED
STATEMENT OF CASH FLOWS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH	Note	2023	2022
Cash Flows from Operating Activities			
Profit Before Taxation		112,960,670	65,348,609
Adjustments for;			
Depreciation		40,772,701	41,088,023
Amortization of Intangible Assets		4,582,159	4,582,159
Gratuity Charge for the Year		19,005,034	3,418,199
Interest Income		(626,584,214)	(181,995,015)
Interest Expenses		218,301,976	27,911,393
Prior Year Adjustments		(15,143,772)	(8,871,274)
Operating Loss Before Working Capital Changes		(246,105,446)	(48,517,906)
Inventories		(186,508,415)	293,735,753
Trade and Other Receivables		4,322,316,416	(2,781,904,506)
Employees Loans and Advances		(6,097,256)	3,700,755
Trade and Other Payables		(647,562,838)	(2,807,379,436)
Deposits and Advances Received		22,069	(4,109,409)
Accrued Expenses and Provisions		(38,974,523)	(14,460,682)
Cash Flow from Operations		3,197,090,007	(5,358,935,431)
Gratuity Paid		(13,050,418)	(9,235,432)
Interest Paid		(218,301,976)	(27,911,393)
Taxes Paid		-	(4,345,255)
Net Cash Flow from / (used in) Operating Activities		2,965,737,613	(5,400,427,511)
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(7,995,177)	(7,751,291)
Net Investments (With Interest Re-investment) in Treasury Bills / Fixed Deposits		(553,036,928)	(204,498,368)
Interest Received (Net of Taxes)		615,914,156	181,995,015
Net Cash Flow from / (used in) Investing Activities		54,882,051	(30,254,644)
Cash Flows from Financing Activities			
Borrowings During the Year		13,574,325,625	8,391,084,309
Dividend Paid		(15,000,000)	(29,397,983)
Settlements of Borrowings During the Year		#####	(2,828,929,633)
Net Cash Flow from / (used in) Financing Activities		(2,819,139,600)	5,532,756,693
Net Changes in Cash and Cash Equivalents During the Year		201,480,064	102,074,538
Cash and Cash Equivalents at Beginning of the Year		297,704,965	195,630,426
Cash and Cash Equivalents at End of the Year	(Note 19)	499,185,029	297,704,965

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 24 form an integral part of these Financial Statements.



CEYLON FERTILIZER COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

CORPORATE INFORMATION

I. SIGNIFICANT ACCOUNTING POLICIES

I.1 GENERAL POLICIES

Reporting entity

Ceylon Fertilizer Company is a fully government owned, ISO 9001:2008 Certified Company coming under purview of the Ministry of Agriculture operating for more than 50 years in Sri Lanka. Ceylon Fertilizer Company is engaged in importation of chemical fertilizer, producing quality fertilizer mixture and marketing, distributing through island wide network of warehouses and thereby catering to the fertilizer needs of Sri Lankan Farmers.

Ceylon Fertilizer Corporation was converted to Ceylon fertilizer Company Ltd in terms of the transformation of Government Corporations and Government owned business undertaking into limited liability companies under the act No. 23 of 1987.

This Conversion took legal effect from 15th September 1992. The Ceylon Fertilizer Company Ltd presently operates as a Registered Public Company in Sri Lanka under the Companies Act No. 7 of 2007. The objective of the Ceylon Fertilizer Company Ltd is to ensure carrying out the successful business undertaken by its predecessor Ceylon Fertilizer Corporation which was established under the provisions of the State Industrial Companies Act Number 49 of 1957

I.2 FINANCIAL YEAR

The Company's financial reporting period ends on 31st March.

I.3 Share Capital of the Company

The company is fully owned by the Sri Lanka Treasury and the issued share capital is 50,245,608 ordinary shares of rupees 10 each.

I.4 NUMBER OF EMPLOYEES

The number of employees of the Company as at 31 March 2023 was 327 (2021- 362)

I.5 DATE OF AUTHORIZATION FOR ISSUE IS 31st March 2023.

I.6 Legal Nature and Address of the registered office

A limited liability company incorporated in Sri Lanka with full ownership vested with the Secretary to the Ministry of Finance. The Head office is situated at **Lakpohora Swarna Jayanthi Mawatha**, Hunupitiya, Wattala, Sri Lanka.

I.7 Principal Activities and Nature of operation

The Company will successfully and continuously provide fertilizer to the nation through island wide distribution network, which contributed significantly to the economic development and growth of the company. It is also considered to be the first State Organization to produce and distribute organic pellet fertilizer to the local market.



CEYLON FERTILIZER COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Statement of Compliance

1.8 Going Concern

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

1.9 Taxation

Provision for taxation has been made on the basis of profit for the year as adjusted for taxation purposes in accordance with the Inland Revenue Act No 10 of 2016 and the new Inland Revenue Act No 24 of 2017.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

(a) Statement of Compliance

The financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements.

(b) Basis of measurement

The financial statements have been prepared on historical cost basis except where appropriate disclosures are made with regard to fair value under relevant notes.

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings. The preparation of financial statements, in conformity with Sri Lanka Accounting Standards (SLFRSs), requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.26.

The financial statements of the Company have been prepared on the historical cost basis except for the following items in the statement of financial position:

- liability of defined benefit obligation is recognized as the present value of the defined benefit obligation
- Freehold land and buildings are measured at cost at the time of acquisition and subsequently at revalued amounts, which are the fair values at the date of revaluation

The Financial Statements have been prepared on an accrual basis and under the historical cost convention except for the land, buildings, investment properties and financial assets at fair value through Other Comprehensive

Income Presentation and Functional Currency The Financial Statements are presented in Sri Lankan Rupees, the Companies functional and presentation currency, which is the primary economic environment in which the Company operates.

Each material class of similar items is presented cumulatively in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard- SLFRSs on 'Presentation of Financial Statements'. The significant accounting policies are discussed with relevant individual notes.



CEYLON FERTILIZER COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Comparative information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the financial statements in order to enhance the understanding of the financial statements of the current period and to improve the inter-period comparability.

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in reporting the Public Sector Accounting Standards volumes I, II and III issued by the Institute of Chartered Accountants of Sri Lanka.

It is also disclosed that when the presentation or classification of items in the financial statements have been amended, comparative amounts have also been reclassified to conform with the current in order to provide a better presentation. Hence **Fixed Assets**, **Current Assets** and **Equity** classification errors have been corrected as per **SLPSAS** and **Treasury guide lines**.

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

Summary of Significant Accounting Policies

Summary of significant accounting policies have been disclosed along with the relevant individual notes in the subsequent pages. Those accounting policies presented with each note have been applied consistently by the company. Other significant accounting policies not covered with individual notes. Following accounting policies which have been applied consistently by company, is considered to be significant but are not covered in any other sections.

Current versus non-current classification

The Company presents assets and liabilities in Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle
 - held primarily for the purpose of trading
 - expected to be realized within twelve months after the reporting period, or
 - cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is considered as current when:

- it is expected to be settled in normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelvemonths after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities accordingly

2.2 Changes in Accounting Policies

The changes in accounting policies set out below have been applied consistently to the periods presented in the financial statements, unless otherwise indicated.

The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.



CEYLON FERTILIZER COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in reporting the Accounting Standards as per SLAS issued by the Institute of Chartered Accountants of Sri Lanka. *

It is also disclosed that when the presentation or classification of items in the financial statements have been amended to provide a better presentation.

The current year financial statement

2.3 Foreign Currency Translation

2.3.1 Functional and Presentation Currency

Transaction and balances included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Sri Lanka Rupees (LKR), which is the company's presentation currency.

2.3.2 Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Translation differences related to changes in amortized cost are recognized in the statement of comprehensive income.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements the company require the management to make judgments, estimates and assumptions, Notes to the Financial Statements which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the company's accounting policies, management has made various judgments. Those which management has assessed to have the most significant effect on the amounts recognized in the Consolidated Financial Statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes to the Financial Statements. The company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2.4 ASSETS AND BASIS OF THEIR VALUATION

2.4.1 Property, Plant and Equipment

(a) Recognition and Measurement

Items of property, plant and equipment are stated at cost or at their fair value less accumulated depreciation or impairment losses.

The ownership of premises where the Company head office is located was vested with the Company on a Cabinet decision as a presidential directive was issued in the year 2009. However, although the deeds were received, the process of registering the ownership of the premises with the Land Commissioner of the Kelaniya and wattala divisional secretariats is currently under process. The registration of the kelaniya divisional secretariat deed registration is done but no sooner the registration of the wattala secretariat is done the Company will be claiming the compensation value of rupees 12.6 Million from the Road Development Authority for acquiring 28 perch of land for expansion of the transport system of the country.

CEYLON FERTILIZER COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Ceylon Fertilizer Company considers the minimum value of fixed assets as rupees 5,000, all items of property, plant and equipment are initially recorded at cost less accumulated depreciation or impairment losses. Significant components of an asset are identified and depreciated separately. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity derecognizes the replaced part, and recognizes the new part with its own useful life and depreciation.

Property, plant and equipment are initially recognized at cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

All the item of property, plant and equipment are initially recorded at cost. Where items of property, plant and equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date.

Any revaluation increases arising on the revaluation of such Assets are recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation.

Decrease for the same asset previously recognized in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expensed. A decrease in the Carrying amount arising on a revaluation of Assets are recognized in the income statement to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a Previous revaluation of the same Assets.

Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained Earnings and is not taken into account in arriving at the gain or loss on disposal. The details of revaluation of Assets are disclosed in note 11 to the financial statements

2.4.2 All other repair and maintenance costs are recognized in the income statement as incurred.

Property, plant and equipment are initially recognized at cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

All the item of property, plant and equipment are initially recorded at cost. Where items of property, plant and equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date.

Any revaluation increase arising on the revaluation of such Assets are recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation.

Decrease for the same asset previously recognized in the income statement, in which case the increase is Credited to the income statement to the extent of the decrease previously expensed. A decrease in the Carrying amount arising on a revaluation of Assets are recognized in the income statement to The extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a Previous revaluation of the same Assets.

Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained Earnings and is not taken into account in arriving at the gain or loss on disposal. The details of revaluation Of Assets are disclosed in note 11 to the financial statements

Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.



CEYLON FERTILIZER COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Land is not depreciated; depreciation on other assets is calculated using straight-line method to allocate their cost or revalued amount over their estimated useful lives, as follows:

Buildings	40 Years
Container Office	10 Years
Plant and Machinery	05 -10 Years
Motor Vehicles	05 Years
Bicycles	03 Years
Office Furniture	03 Years
Office Equipment	03 Years
Workshop Tools	05 Years
Lab Equipment	03 Years
Other Equipment	03 Years
Canteen Equipment	05 Years
Computer Accessories	03 Years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain/loss on de-recognition of an item of property, plant and equipment is included in profit or loss in the year the asset is derecognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

De-recognition

The carrying amount of an item of property, plant and equipment is de-recognized upon disposal or when No future economic benefits are expected from its use or disposal. The gain or loss arising from the De recognition of an item of property, plant and equipment is included in profit or loss when item is de Recognized.

Measurement of fair values

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

- Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or Liability, either directly or indirectly.
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable Inputs)

Further information about assumptions made in measuring fair values is included in the respective notes to the consolidated financial statements.



CEYLON FERTILIZER COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Revaluation Model

The Group applies Revaluation Model for the entire class of land and buildings in the statement of financial position. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period. If the fair values of land and buildings does not change other than by an insignificant amount at each reporting period the Group will revalue such land and buildings every 3 years

Any revaluation increase arising on the revaluation of such land and buildings are recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expensed. A decrease in the carrying amount arising on a revaluation of land and buildings are recognized in the income statement to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of the same land and Buildings. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal. The details of revaluation of land and buildings are disclosed in note xxx to the financial statements.

Capital Work-in-Progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital in progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

2.4.3 Intangible Assets

Acquired computer software and operating systems are capitalized on the basis of the costs incurred to acquire and bring to use the specific software and systems. Intangible assets acquired are stated at cost less accumulated amortization and accumulated impairment losses. These costs are amortized over their estimated useful lives, as follows:

Computer Software	05 Years
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Costs associated with maintaining computer software programmers' are recognized as an expense as incurred.

2.4.4 Impairment of Non-Financial Assets

At each end of reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company determines the cash-generating unit and estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

2.5 Financial Assets

2.5.1 The Company determines the classification of its financial assets at initial recognition and the Company classifies its financial assets as follows:

- a) Held-to- Maturity Investment
- b) Loans and receivables



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a) Held-to- Maturity Investment (HTM)

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the positive intention and ability to hold them until maturity. HTM investments are included in current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Company's loans and receivables comprise subsidy receivables, trade and other receivables; repurchase government securities, fixed deposits, prepayments, advances, and deposits, loans to employees and cash and cash equivalents in end of the reporting period.

2.5.2 Recognition and Initial Measurement

Financial assets classified as loans and receivables are recognized on the date on which the Company originates the transaction. Other financial assets are recognized on the trade-date on which the Company becomes a party to the contractual provisions of the financial instrument. A financial asset is measured initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial assets.

2.5.3 Subsequent Measurement

a) Held-to- Maturity Investment (HTM)

HTM investments are measured subsequently at amortized cost using the effective interest method. Amortized cost is computed taking into account of discount or premium on acquisition and transaction costs.

b) Loans and receivables

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less provision for impairment.

2.5.4 Impairment of Financial Assets

Assets carried at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For loans and receivables and held-to-maturity investments carried at amortized cost, 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 credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the financial assets is reduced and the amount of the loss is recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

2.6 Inventories

Inventories (Direct and Mixed Fertilizers) are stated at cost minus subsidy. Cost is determined using the first-in, first-out (FIFO) method. The cost of mixed fertilizer comprises raw materials, direct labour, other direct costs and related production overheads. Inventories purchased locally are stated at castanet realized whichever is



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lower. Net realizable value is the subsidized value in the ordinary course of business, less applicable selling expenses.

Consumables and packing material are stated at cost or net realized whichever is lower.

2.7 Trade Receivables

Trade receivables are amounts due from customers for sale of goods in the ordinary course of business. Collection is expected in the normal operating cycle of the business and they are classified as current assets. Trade receivables are recognized initially at fair value, which is the invoice value and subsequently measured at the original invoice value less provision for impairment.

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

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

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

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

2.8. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.9 Financial Assets

Initial Recognition and Measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Transaction cost in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with through the Income Statement. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15. Refer to the accounting policies in section xxxx, Revenue from contracts with customers. In order for a financial asset (excluding equity instruments) to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2.9.1 Subsequent measurement

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

Financial assets at amortized cost (debt instruments)

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)



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

2.9.2 Financial Assets at Amortized Cost (Debt Instruments)

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

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

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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets at amortized cost include trade receivables, amounts due from related companies and fixed deposits.

2.9.3 Financial Assets at Fair Value through OCI (Deb Instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

1. The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and

2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognize in the income statement and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon de recognition, the cumulative fair value change recognized in OCI is recycled to profit or loss. The Group currently does not own any financial asset that is classified under this category.

2.9.4 Financial Assets Designated at Fair Value through OCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled

To profit or loss. Dividends are recognized as other income in the income statement the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group currently does not own any financial asset that is classified under this category.

2.9.5 Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measure data fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net change in fair value recognized in the income statement. Dividends on listed equity investments are also recognized as other income in the income statement when the right of Payment has been established. The Group currently does not own any financial asset that is classified under this category.

2.9.6 Business Model Assessment



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The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

How the performance of the portfolio is evaluated and reported to the Group's management the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and Expectations about future sales activity. Transfers of financial assets to third parties in transactions that do not qualify for de recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL. Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers: Contingent events that would change the amount or timing of cash flows; Terms that may adjust the contractual coupon rate, including variable-rate features; Prepayment and extension features; and Terms that limits the Group's claim to cash flows from specified assets (e.g. non-recourse features). A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual paramount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial Recognition.

2.9.7 Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9.8 De recognition of Financial Assets

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A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de recognized (i.e., removed from the Group's Consolidated statement of financial position) when: The rights to receive cash flows from the asset have expired or

The Group 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 Group has transferred substantially all the risks and rewards of the asset, or

(b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group 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 Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group 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 Group could be required to repay. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of;

(i) the consideration received (including any new asset obtained less any new liability assumed) and,

(ii) Any cumulative gain or loss that had been recognized another comprehensive income is recognized in profit or loss

2.9.9 Cash and Cash Equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.10 Stated Capital

Ordinary shares issued to the Government of Sri Lanka are classified as equity.

2.11 Financial Liabilities

Disclosure of Contingent Liabilities

Provisions for operating expenses are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

All contingent liabilities are disclosed as a note to the financial statements unless the possibility of an outflow of resources is remote.

- a) The Company had taken a decision in the year 2016 to rent out Polgahawela stores premises of the Sri Lanka Railways Department, and as at the end of the accounting year a sum of rupees 5,784,668 is payable. However, this payable amount could not be taken in to the books of accounts of the Company as no valid agreement has been reached between the two parties.
- b) Similarly, the Company had taken a decision in the year 2010 to rent out Hingurakgoda stores premises of the Sri Lanka Railways Department and as at the end of the accounting year a sum of rupees 764,480 is payable. However, this payable amount could not be taken in to the books of accounts of the Company as no valid agreement has been reached between the two parties.
- c) The Company had also rented out Stores premises of the Sri Lanka Mahawele Authority in the year 2015 and a sum of rupees 1,630,000 is payable for renting out the Sooriyawewa stores. This amount

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too could not be taken in to the books of accounts of the company as no valid rent / lease agreement has been reached between the two parties.

- d) Similarly, the Company had also rented out the Kirologama stores premises of the Sri Lanka Mahawele Authority in the year 2012 and a sum of rupees 900,000 is payable for renting out the stores. This amount too could not be taken in to the books of accounts of the company as no valid rent / lease agreement has been reached between the two parties.

Recognition and Measurement

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it's a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest Expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de recognitions also recognized in profit or loss.

2.11.1 Derecognition of Financial Liabilities

A financial liability is derecognized 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 exchanger modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

2.11.2 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognize amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.11.3 Amortized Cost Measurement

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

2.12 Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities as in the normal operating cycle of the business.

Trade and other payables are recognized initially at fair value, which is the transaction price and subsequently measured at the original invoice value as they are expected to be paid within a short period, such that the time value of money is not significant.

2.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest method.

2.14 Borrowing Cost

Borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred.

2.15 Government Grants

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



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

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

2.16 Current and Deferred Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income statement, except to the extent that it relates to items recognized in other comprehensive income. In this case, the tax is also recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted at the reporting period end applicable for the Company. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted at the reporting period end date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

2.17 Employee Benefits

The Company has both defined benefit and defined contribution plans.

a) Defined Contribution plan

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

The Company contributes 15% on gross emoluments of employee to Employee Provident Fund (EPF) and 3% on gross emoluments of employee to Employee Trust Fund (ETF).

b) Defined benefit plan

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

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

The company will re-measure the defined benefit obligation when the amounts recognized in the financial statements will differ materially from the amount that would be determined at the end of the reporting period. Past service costs are recognized immediately in the statement of comprehensive income. The retirement benefits obligation is not externally funded.

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c) Short-term employee benefit

Short-term employee benefits obligations are measured on an undiscounted amount expected to be paid for related services provided by the employee.

2.18 Provisions and Contingent Liabilities

Provisions for operating expenses are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

All contingent liabilities are disclosed as a note to the financial statements unless the possibility of an outflow of resources is remote.

2.19 Revenue Recognition

Revenue is measured at the subsidized value received or receivable, and represents amounts receivable for sales of goods, stated net of Value Added Taxes (VAT) and Nation Building Tax (NBT). The Company recognizes revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the Company.

The Company applies the revenue recognition criteria set out below to each identifiable major types of services rendered.

a) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a contract.

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

Type of product/service	Nature and timing of satisfaction of performance	Revenue recognition policies obligations, including significant payment terms
Sale of goods & services	The Company operates in different divisions and engaged in varieties of sale of goods under each divisions/clusters.	The revenue is recognized based on the identified performance obligation. The transaction price is determined taking into account of variable considerations. The transaction price is allocated to performance obligations recognized the revenue either over the time of the contract or point in time upon analysis of each sale of goods under separate divisions.
Distributors and dealer volume rebates	Distributors and dealers are entitled to volume rebates are given based on yearly and daily sales and quantity over different slabs	The Company estimate the amount of variable consideration to which it expects to be entitled. Giving consideration to the risk of revenue reversal in making the estimate for volume rebates. The transaction price under revenue is adjusted for the provision of volume rebates are

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		recognized as revenue.
Issue of free goods	The company offers free goods to their dealers as a promotion.	The free goods granted to customer is a material right of the customer and is accounted as a separate performance obligation. The revenue is allocated for the performance obligation on their relative stand alone selling price and the revenue is recognized at the point in time when the performance obligation is met.

b) Interest Income

Interest income is recognized using the effective interest method.

c) Rent Income

Rent income is recognized on an accrual basis over the term of lease.

d) Gain and Losses on Disposal of Property, Plant and Equipment

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income.

e) Other Income

Other income is recognized on an accrual basis.

2.20 Expenses

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

2.21 Events Occurring after the Reporting Period

All material events after the reporting period have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

2.22 Commitments

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

2.23 Significant Accounting Estimates and Judgments

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

2.23.1 The following are significant judgments in applying the accounting policies that have most significant effect on the financial statements.

(a) Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

2.23.2 Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

(a) Useful life time of Depreciable Assets



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Management reviews its estimate of the useful life time of depreciable assets at each reporting date, based on the expected economic utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

(b) Defined benefit plan

The present value of the defined benefit plan obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions are used in determining the net cost and obligation for defined benefit plan including the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefits obligation.

NEW ACCOUNTING STANDARD AMENDMENTS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standard Amendments which will become applicable for financial periods beginning on or after 01st April 2020 or at a later date. Accordingly, these Amendments have not been applied in preparing these Financial Statements.

<i>New or amended standards</i>	<i>Summary of the requirement</i>	<i>Possible impact on Consolidated F</i>
<i>SLFRS 3 Definition of a Business</i>	<i>SLFRS 3 helps entities to determine whether an acquired set of activities and assets is a business or not. These amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process Is substantive, narrow the definition of a business and of outputs, and introduce an optional fair value concentration test.</i>	<i>where this enhances the relevance or faithful Representation of the Financial Statements.</i>
<i>LKAS 1 and LKAS 8 Definition of Material</i>	<i>Amendments to LKAS 1 and LKAS 8 on "Accounting Policies, Changes in Accounting Estimates and Errors" to align the definition of "material" across the standards and to clarify certain aspects of the term "definition". The new definition states that. "information" is material if omitting, misstating</i>	

CEYLON FERTILIZER COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	<p>or obscuring it could reasonably be expected to influence decision that the primary users of general purpose Financial Statements make on the basis of those Financial Statements, which provide financial information about a specific reporting entity.</p>	
<p>Amendments to References to Conceptual Framework in SLFRS Standards</p>	<p>Conceptual Framework which will be used in Standard setting decisions with immediate effect. Key changes include;</p> <ul style="list-style-type: none"> • Increasing the prominence of stewardship in the objective of financial reporting • Reinstating prudence as a component of neutrality • Defining a reporting entity, which may be a identity , or a portion of an entity • Revising the definitions of an asset and a liability • Removing the probability threshold for recognition and adding guidance on de-recognition • Adding guidance an different measurements basis, and • Stating that profit or loss is the primary performance indicator and that, in principal, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the Financial Statements. 	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

2023

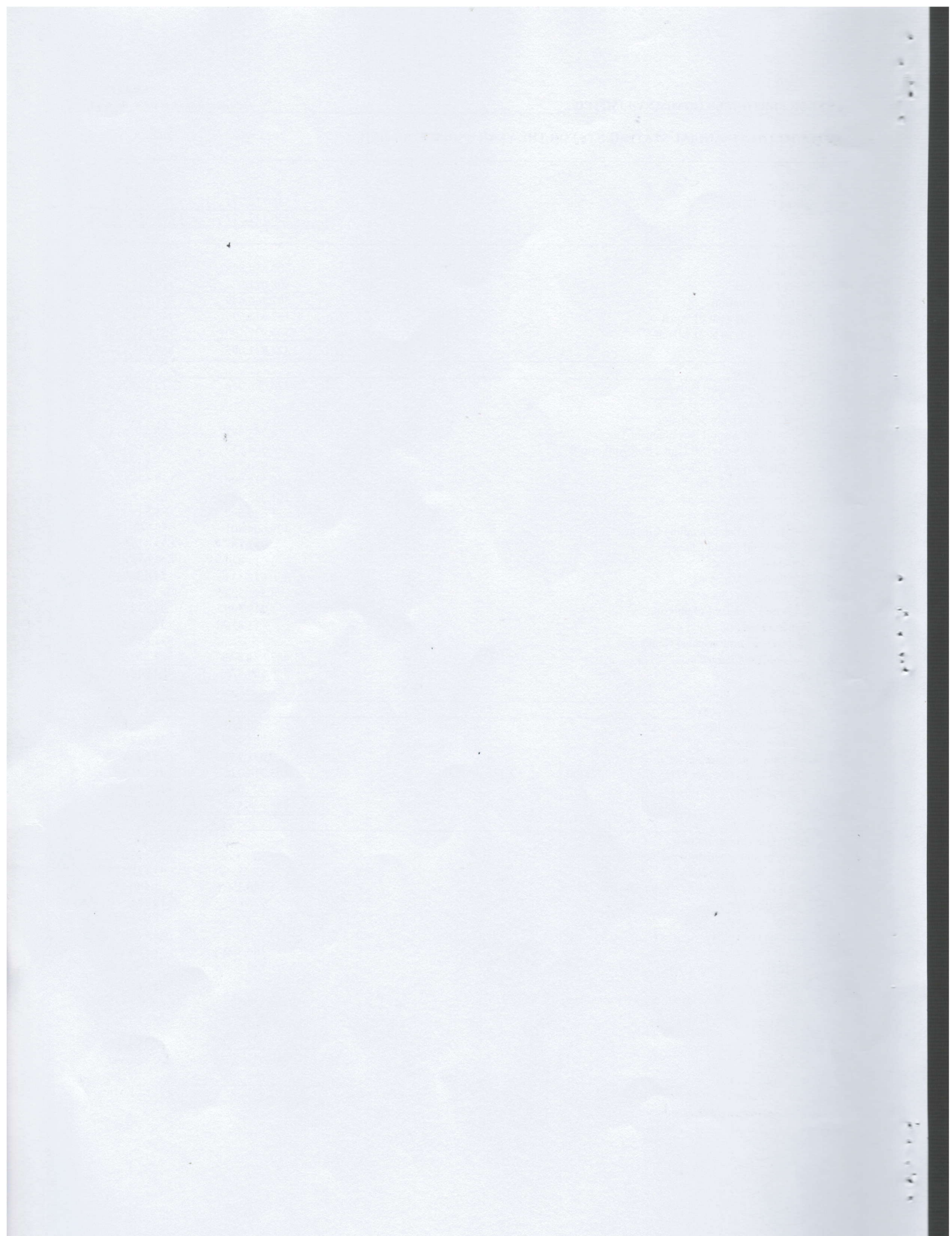
2022

3 Revenue			
Sale of Fertilizer		536,112,271	1,209,392,948
		536,112,271	1,209,392,948
4 Cost of Sales			
Purchases	4.1	(300,854,825)	454,904,491
Direct Expenses	4.2	808,021,474	119,868,039
Cost of Production		507,166,649	574,772,530
Finished Goods as at 01 April		152,611,536	446,784,423
Finished Goods as at 31 March		(334,937,180)	(152,611,536)
		324,841,005	868,945,417
4.1 Purchases			
Fertilizer Import Bills		474,086,056	4,612,205,399
Insurance		-	773,985
Duty and Duty Surcharge		-	5,420.00
Port and Airport Development Tax		14,745,353	340,636,818
Miscellaneous (Sri Lanka Port Authority)		4,504,554	756,160
Discharging Expenses		1,920,270	504,723
Landing Charges		28,215,890	7,888,656
Stevedoring Charges		201,345,473	61,518,177
Sampling Charges		1,696,692	1,534,718
Transport and Handling Charges		329,604,401	50,761,123
Letter of Credit Charges		732,188	23,545,759
Bank Charges		3,214,442	55,652,462
Packing Materials		320,622,534	25,476,225
Detention Charges		4,541,392	229,641
Local Agency Commission		1,741,590	4,138,932
Exchange (Gain) / Loss		(3,856)	(25,458,313)
Unrealized Exchange Gain/Loss		-	821,850,954
Subsidy Claimed		(1,687,821,803)	(5,527,116,349)
		(300,854,825)	454,904,491
4.2 Direct Expenses			
Mixing Charges		30,810	799,821
Handling Charges		34,704,215	36,922,325
Labour Charges		9,072,229	5,806,640
Transport Charges to District Fertilizer Stores		763,314,221	105,104,697
Fertilizer Stock Adjustment		900,000	(28,765,444)
		808,021,474	119,868,039
5 Other Operating Income			
Income From Panalty Import/Local		-	346,550
Liquidated Damages Income		-	41,875,389
Circuit Bungalow Income - Polonnaruwa		1,248,155	1,489,545
Dispatch Income		-	14,381,520
Overage Premium		-	2,921,042
Land Compensation		-	32,478,550
Sales of Polythene and WPP Bags		148,400	333,140
Non Refundable Tender Deposit Income		934,500	838,500
Rent Income		-	25,000
Profit / (Loss) on Disposal of Property, Plant and Equipment / Scraps		15,750	27,248
Earnings from Transport		(14,625)	29,250
Claim against Performance bond		-	490,000
Laboratory Testing Income		166,224	156,708
Other Income		49,785,096	9,166,597
Earning from Farms		368,285	25,000
		52,651,785	104,584,039

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

2023

2022

6 Administrative Expenses	2023	2022
Directors' Remuneration	2,492,393	2,236,067
Secretary Fees	100,000	130,000
Salaries - Executive	52,545,335	48,186,498
Salaries - Non Executive	164,712,547	159,056,380
Overtime	32,308,942	29,411,280
Travelling and Subsistence	2,434,538	1,211,534
Employees' Provident Fund	28,239,973	27,387,911
Employees' Trust Fund	5,647,995	5,963,616
Fuel Allowance for Managers	9,038,883	8,725,879
Tea and Dust Allowance	7,174,963	6,391,397
Annual Bonus	6,731,667	4,839,300
Medical Leave Payment	13,272,894	15,399,047
Employees on Contract Basis	433,000	1,502,218
Training and Scholarships	300,530	507,300
Weekend and Other Allowances	1,464,258	885,762
Employee Compensation	-	5,547
Medical Expenses	2,412	12,742
Clothing and Medical Allowance	4,006,295	4,333,432
Medical Insurance	4,421,658	7,789,823
Other Allowances	799,817	619,300
Staff Transport	1,280,749	1,067,998
Annual Incentive	1,731,256	48,431,198
Staff Welfare	2,753,360	4,325,731
Entertainment	582,382	237,284
Electricity	5,674,769	4,706,082
Telephone, Fax, E-mail and Internet Charges	10,927,082	10,001,240
Fire Insurance	272,411	573,900
License and Insurance	388,482	440,157
Cash in Transit and Cash in Safe Insurance	13,432	47,054
Postage	785,556	826,120
Printing and Stationery	6,639,049	4,591,300
Periodicals and Books	103,250	52,060
Office Equipment Maintenance	584,146	628,901
Office Expenses	1,579,771	1,287,626
Vehicle Running Expenses	27,109,350	5,842,163
Vehicle Maintenance	11,923,063	5,955,850
Water Bill	3,079,483	1,746,944
Legal Fees	1,376,841	3,401,191
Security Charges	34,106,773	24,160,134
Lab/Equipment Maintenance	234,375	417,450
Plant, Machinery and Equipment Maintenance	1,770,924	939,232
Building Maintenance	4,728,087	5,379,194
Furniture and Fittings Maintenance	151,488	14,295
Public Notice Charges	2,076,952	3,143,036
Road Development Expenses	-	83,460
Computer and Accessories Maintenance	3,647,779	3,804,933
Rent	1,851,917	2,555,176
Expenses for Temporary Storage	-	700
Charity and Donation	1,070	11,015
Depreciation	40,772,701	41,088,023
Amortization of Intangible Assets	4,582,159	4,582,159
Audit Fees	950,000	950,000
Balance C / F	507,806,754	505,886,637

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



CEYLON FERTILIZER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2023

2022

Balance B / F	507,806,754	505,886,637
Non Audit Fees	164,915	90,000
Audit Related Fees	56,875	52,330
Consultancy Fees	229,950	404,073
Work Shop Tools Expenditure	199,384	29,740
Sanitary Facilities	5,407,289	4,785,426
Vehicle Hiring Charges	24,790	1,081,206
Other Equipment Maintenance	160,694	626,607
Provision for Retirement Benefit obligation	19,005,034	3,418,199
Bank Charges	2,159,655	704,401
Insurance Claim	-	773,576
Sports Equipment Maintenance	-	5,650
(Over) / Under Provision of Recurrent Expenses	1,066,112	1,563,747
Circuit Bungalow Expenses	394,474	321,998
Gardening and Landscaping Expenses	7,466,397	7,847,058
Natural Disaster Expenses	32,275	80,000
Laboratory Building Maintenance	-	6,170
Laboratory Expenses	115,398	213,602
Laboratory Equipment Insurance	-	13,857
Other Expenses	5,727,180	-
Registration Fees	234,954	5,710,823
	550,252,130	533,615,098
7 Promotional Expenses		
Advertising and Publicity Notices	1,115,789	77,085
Written-off of Bad Debts	7,851,176	-
Sales Commission	25,524	74,400
	8,992,489	151,485
8 Net Finance Income		
Interest Income		
Interest on Fixed Deposits and REPO Investments	624,950,155	180,425,396
Interest from Employees Loans	1,634,058	1,569,619
	626,584,214	181,995,015
Interest Expenses		
Interest on Overdrafts/Loans	(218,301,976)	(27,911,393)
	(218,301,976)	(27,911,393)
	408,282,237	154,083,622

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH		2023	2022	
Note				
9	Income Tax Expenses			
	Current Year	9.1	39,262,196	21,019,056
	Under Provision in Previous Years		-	-
	Deferred Tax Charge	23	(47,102,362)	(37,246,367)
			<u>(7,840,166)</u>	<u>(16,227,311)</u>
9.1	Reconciliation between current tax expenses/(reversal) and the accounting profit/(loss);			
	Accounting Profit / (Loss) Before Taxation		112,960,670	65,348,609
	Non-Business Income		(626,584,214)	(181,995,015)
	Aggregate of Disallowable Expenses		64,943,346	49,363,928
	Aggregate of Allowable Claims		(32,488,475)	(27,133,136)
	Tax Adjusted Profit		(481,168,673)	(94,415,615)
	Income from Other Sources		626,584,214	181,995,015
	Total Statutory Income		145,415,540	87,579,400
	Loss Claimed previous Year		-	-
	Loss Claimed during the Year		-	-
	Taxable Income		145,415,540	87,579,400
	Tax Charged at Statutory Tax Rate of 24% & 30%		39,262,196	21,019,056
	Current Tax Provision		39,262,196	21,019,056
	Current Tax on Ordinary Activities for the Year		39,262,196	21,019,056
10	Basic Earnings per Share / Dividends per Share			
10.1	Basic Earnings Per Share (EPS)	2023	2022	
	Net Profit Attributable to Ordinary Shareholders (Rs.)	120,800,836	81,575,919	
	Weighted Average Number of Ordinary Shares in Issue	50,245,608	50,245,608	
	Basic Earnings per Share	<u>2.40</u>	<u>1.62</u>	
	Basic Earnings per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.			
10.2	Dividends Per Share (DPS)	2023	2022	
	Dividends Paid / Proposed	18,120,125	12,236,388	
	Number of Ordinary Shares	50,245,608	50,245,608	
	Dividend per Share	<u>0.36</u>	<u>0.37</u>	

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

11 Property, Plant and Equipment

Cost	01 April 2022	Additions	Disposal	31 March 2023
Land	1,868,965,707	-	-	1,868,965,707
Biological Assets	2,086,200	-	-	2,086,200
Buildings	893,925,818	-	-	893,925,818
Container Office	6,046,500	-	-	6,046,500
Plant and Machinery	21,648,129	127,860	-	21,775,989
Motor Vehicle	49,195,850	-	-	49,195,850
Furniture and Fittings	23,660,308	-	-	23,660,308
Office Equipment	14,946,349	1,136,404	-	16,082,753
Computer Equipment	26,586,544	1,139,710	-	27,726,254
Other	19,472,725	5,591,203	-	25,063,928
Total	2,926,534,130	7,995,177	-	2,934,529,307

Depreciation	01 April 2022	Charge for the Year	Disposal	31 March 2023
Buildings	167,379,999	28,265,820	-	195,645,818
Container Office	1,006,928	944,700	-	1,951,628
Plant and Machinery	14,010,778	2,763,292	-	16,774,070
Motor Vehicle	48,599,438	125,000	-	48,724,438
Furniture and Fittings	20,552,894	1,268,104	-	21,820,998
Office Equipment	11,861,199	1,829,588	-	13,690,787
Computer Equipment	21,845,025	3,998,851	-	25,843,876
Other	8,624,497	1,577,346	-	10,201,843
	293,880,758	40,772,701	-	334,653,459

Written Down Value	2023	2022
Land	1,868,965,707	1,868,965,707
Biological Assets	2,086,200	2,086,200
Buildings	698,279,999	753,157,261
Container Office	4,094,872	2,532,862
Plant and Machinery	5,001,918	8,409,363
Motor Vehicle	471,413	721,413
Furniture and Fittings	1,839,310	4,871,376
Office Equipment	2,391,966	3,811,662
Computer Equipment	1,882,378	9,549,196
Other	14,862,084	11,885,066
	2,599,875,848	2,665,990,105

Land and buildings of some of the district fertilizer stores located at Hingurakgoda, Akuressa, Matale, Kurunagala, Nuweraeliya Kegalle, Madhavachchiya, Kuruvita, Dodangoda, Mathugama, Koggala and Weeravila used for operational activities are not recognized under property, plant and equipment as ownerships or leasing arrangements of such assets are not clear. Currently, the company is in process of making contractual arrangements to transfer the legal title of such assets.

Capital Work-in-Progress	01 April 2022	Expenditure Incurred	Amount Capitalized	31 March 2023
Kataragama Bungalow	676,730	-	-	676,729
	676,729	-	-	676,729

The Board has decided to temporarily suspend the construction of bungalow in Kataragama at the board meeting held on 26 February 2016.

Figures in brackets indicates deductions.
Notes to the Financial Statements Continued



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

13 Intangible Assets

	01 April 2022	Additions (Disposals)	31 March 2023
Cost			
Computer Software	22,910,795	-	22,910,795
	<u>22,910,795</u>	<u>-</u>	<u>22,910,795</u>
Amortization	01 April 2022	Charge for the Year	31 March 2023
Computer Software	17,932,157	4,582,159	22,514,316
	<u>17,932,157</u>	<u>4,582,159</u>	<u>22,514,316</u>
Written Down Value		2023	2022
Computer Software		<u>396,479</u>	<u>9,560,797</u>

14 Inventories

	2023	2022
Direct Fertilizer	334,937,180	152,611,536
Consumables	15,954,382	11,583,422
Packing Material	8,369,502	8,557,691
	<u>359,261,064</u>	<u>172,752,649</u>
Provision for Impairment	(77,767,468)	(77,767,468)
	<u>281,493,596</u>	<u>94,985,181</u>

15 Trade and Other Receivables

Trade Receivables	15.1	1,066,771,612	1,530,059,011
Provision for Impairment		(144,671,108)	(144,671,108)
		<u>922,100,504</u>	<u>1,385,387,903</u>
Other Receivables	15.2	23,209,514,908	27,068,543,924
		<u>24,131,615,412</u>	<u>28,453,931,827</u>

15.1 Trade Receivables

Government Departments	87,518,021	87,348,521
Debtors on Loan	-	-
Agrarian Service Centers	923,464,231	1,385,011,522
Authorized Dealers	12,877,083	12,892,083
Distributors	42,912,277	44,806,885
	<u>1,066,771,612</u>	<u>1,530,059,011</u>

The ageing of the trade receivables are as follows

Up to 3 Months	4,000,204	25,806,580
3 to 12 Months	-	868,091,405
More than One (1) Year	977,169,359	549,558,977
Over Ten (10) Years	86,502,049	86,602,049
	<u>1,067,671,612</u>	<u>1,530,059,011</u>

Trade receivables have been reviewed for impairment. Certain trade receivables are found to be impaired and provision for impairment has been made on the basis as stated in note 2.11.

15.2 Other Receivables

General Treasury - Subsidies		23,076,099,544	26,913,536,703
Road Development Authority		12,600,000	12,600,000
Others	(Note I)	102,622,481	112,649,404
Deposits		1,696,611	1,097,611
Advance and Prepaid Expenses		14,452,844	26,163,097
Cash Sortage - Stock Officer		2,043,428	55,928
Unrealized Stock variance		-	2,441,181
		<u>23,209,514,908</u>	<u>27,068,543,924</u>

Note I : During the financial year 2015/16, in the Pothuwil Stores an aggregate amount of Rs. 9,984,313.21/- had been identified as stock shortage and adjustment also incorporated in the financial statements net of recoveries. However, in the internal investigation carried out by the Internal Audit Department, subsequent to the financial year, corresponding to stock movement in the same store, it was evidenced to suspect that certain fraudulent transactions had been occurred even before the financial year 2015 / 16. Consequently, it was identified an aggregated amount of Rs. 7,934,279/- has been subjected to misappropriation of inventories which results stock shortage / loss to the company as of the date of signing of these financial statements. During the year 2017 / 18, the company has taken steps to file a civil case in the District Court of Gampaha for the total losses incurred to the company and the Government amounting to Rs. 14 796 235/-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

2023

2022

16 Employees Loans and Advances

Festival Advances	506,250	468,750
Motor Cycle Loans	197,126	402,959
Personal Loans	40,864,400	34,598,811
	<u>41,567,777</u>	<u>35,470,521</u>

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

17 Investments in Government Securities

	2023	2022
Treasury Bills	<u>958,141,229</u>	<u>807,101,718</u>

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

The carrying amount of the investments have been measured at amortized cost in compliance with the SLFRS 9 using Effective Interest Rate (EIR).

18 Investments in Fixed Deposits

	2023	2022
Fixed Deposits	<u>2,925,863,811</u>	<u>2,523,866,395</u>

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

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

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

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

19 Cash and Cash Equivalents

	2023	2022
Favorable Balances		
Cash in Hand	(0)	233,664
Current Accounts	426,002,018	134,276,675
Saving / Call Deposits (Ref: Note 18.4)	73,183,010	163,194,626
	<u>499,185,028</u>	<u>297,704,965</u>

Unfavorable Balances

Bank Balance Overdraft	-	-
	<u>-</u>	<u>-</u>

20 Stated Capital

Number of Ordinary Shares Issued and Fully Paid	50,245,608	50,245,608
Ordinary Share Capital Issued and Fully Paid	<u>502,456,080</u>	<u>502,456,080</u>

21 Revaluation Reserve

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

22 Retirement Benefits Obligation

	Note	2023	2022
Balance as at 01 April		73,914,153	79,731,435
Expenses Recognized in Profit or Loss	22.1	19,005,034	
Payments Made During the Year		(13,050,418)	(9,235,432)
Actuarial Gain/Loss on obligation		-	
Balance as at 31 March		<u>79,868,769</u>	<u>73,914,153</u>
22.1 Expense Recognized in Comprehensive Income			
Current Service Cost		3,311,169	3,311,169
Interest Charge for the Year		7,973,144	7,973,144
		<u>11,284,313</u>	<u>11,284,313</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

22.2 Retirement Benefits Obligation Contd...

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

The principal assumptions used are as follows.

Discount Rate [%]	8.5	10.5
Future Salary Increases [Rs.] - Executive	Fixed Rate 1.5%	1,150
Future Salary Increases [Rs.] - Other		240
Staff Turnover Factor [%]	0 - 2	1 - 2
Retirement Age [Yrs]	60	60

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

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

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

The Principle Assumptions	Sensitivity [%]		Gratuity Liability Change	
	Increase in 1%	Decrease 1%	Increase in 1%	Decrease 1%
Salary Escalation Rate [%]	5.97	(5.72)	84,638,098	75,296,789
Discount Rate [%]	(6.54)	6.96	74,646,294	85,429,294

23 Deferred Taxation

	2023	2022
Balance as at 01 April	100,894,788	139,082,220
(Originated) / Reverse for the Year Recognised in Profit or Loss	(47,102,362)	(37,246,367)
Deferred Tax Expenses Recognised in OCI for Revaluation Surplus	61,471,108	(941,065)
Balance as at 31 March	115,263,533	100,894,788

23.1 The Analysis of Deferred Tax Assets and Liabilities

Deferred Tax Liability		
From Accelerating Depreciation	140,667,706	168,202,520
From Revaluation Surpluses	65,288,031	3,816,923
	205,955,737	172,019,443
Deferred Tax Assets		
From Retirement Benefits Obligation	(23,960,631)	(17,739,397)
Deferred Tax Assets Arising accounting provisions	(66,731,573)	(53,385,258)
	(90,692,203)	(71,124,655)
	115,263,533	100,894,788

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

24 Trade and Other Payables

	2023	2022
Trade Payables	391,837,919	2,559,799,320
Other Payables	1,768,941,802	188,938,791
Payable to Organic Supplier (Government Funded)	155,198,022	214,802,469
	2,315,977,743	2,963,540,581
24.1 Other Payables		
Sundry Creditors	527,600,272	173,051,227
Retention Money	1,322,946	478,633
General Treasury	1,238,049,720	14,962,309
VAT/PAYE/Stamp Duty	(350,437)	(141,239)
Others	2,302,408	570,968
Payable to SLPA	16,892	16,892
	1,768,941,802	188,938,791

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH	2023	2022
Note		
25 Interest Bearing Borrowings Short Term		
<i>People's Bank</i>		
Balance as at 01 April	25,220,083,747	19,657,929,071
Obtained During the Year	13,574,325,625	8,391,084,309
Paid During the Year	(16,378,465,226)	(2,828,929,633)
Balance as at 31 March	22,415,944,146	25,220,083,747
Non-current Portion	22,206,902,897	13,451,229,712
Current Portion	209,041,249	11,768,854,035
	22,415,944,146	25,220,083,747

These loans are arranged by the treasury and may be settled during the next year as fund are available.

26 Deposits and Advances Received		
Refundable Performance Bond	3,874,499	3,874,499
Staff Security Deposits	3,948,377	3,959,993
Refundable Deposits	3,798,700	3,292,950
Receipt in Advance	5,602,753	6,056,227
Deferred Interest Income	2,513,770	-
Sundry Salary Deduction	(0)	19,166
Excess on Sales	747,254	746,679
	20,485,353	17,949,514
27 Income Tax Payables		
Balance as at 01 April	21,019,056	4,345,255
Payments Made for Previous Year		(4,345,255)
Provision for the Current Year	39,262,196	21,019,056
Self Assessment Payments Made During the Year	-	-
Withholding Tax (WHT) and notional tax Recoverable	(13,183,828)	-
Balance as at 31 March	47,097,424	21,019,056
28 Accrued Expenses and Provisions		
Accrued Expenses	24,766,778	63,741,302
	24,766,778	63,741,302
29 Capital and Other Commitments		
No capital commitments were engaged during the year and outstanding as of the reporting date.		
30 Events Occurring after Reporting Period		
There were no events occurred, which required adjustments or disclosure in these financial statements between the 31 March reporting date and the date of authorization.		
31 Contingent liabilities		

The Company has contingent liabilities in respect of legal claims arising in the ordinary course of business.* Unless recognized as a provision (Note 29), management considers these claims to be unjustified and possibility of an outflow of resources for their settlement is remote. This evaluation is consistent with legal advices of the company's legal division. Accordingly, no provision has been made for such legal claims.

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

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

33 Financial Instruments and Risk Management

The accounting classification of each category of financial instruments and their carrying amounts reported in the statement of financial position are stated below.

The Carrying Values of Financial Assets and Liabilities.		
	2023	2022
The carrying amount of the financial assets and liabilities reported in the statement of financial position are as follows,		
FINANCIAL ASSETS		
Financial Assets at Amortized Costs		
Treasury Bills	958,141,229	807,101,718
Investments are stated at amortized cost using the effective interest method		
Trade and Other Receivables	24,276,286,520	28,598,602,935
Employees Loans and Advances	41,567,777	35,470,521
Investments in Government Securities	958,141,229	807,101,718
Investments in Fixed Deposits	2,925,863,811	2,523,866,395
Cash and Cash Equivalents	499,185,028	297,704,965
	28,701,044,365	32,262,746,534
Financial assets at amortized cost are stated at amortized cost using the effective interest method		
TOTAL FINANCIAL ASSETS	29,659,185,594	33,069,848,251
FINANCIAL LIABILITIES		
Financial Liabilities measured at Amortized Costs		
Interest Bearing Borrowings	22,415,944,146	25,220,083,747
Trade and Other Payables	2,315,977,743	2,963,540,581
Deposits and Advances Received	20,485,353	17,949,514
Bank Overdrafts	-	-
Total Financial Liabilities	24,752,407,243	28,201,573,841
The financial liabilities are stated at amortized cost using the effective interest method.		

Risk Management**A. Financial Risk Factors**

The company has exposure to the following risks from its use of financial instruments.

- 01 Credit Risk
- 02 Liquidity Risk
- 03 Market Risk (Currency Risk and Interest Rate Risk)

The financial instruments of the company comprise of investments in term deposits and government securities, bank deposits, and short-term bank borrowings. The company also has trade receivables and payables and subsidy receivables arising from its core business activities. The main purpose of investment in short- term deposits and short-term borrowings are to raise and maintain liquidity for the operations.

01 Credit Risk

Credit risk is the risk of financial loss to the company if counterparty fails to meet its contractual obligations. Credit risk arises principally from deposits held with banks and financial institutions, cash and cash equivalents (excluding cash in hand), receivables from customers and subsidy receivables from the Treasury.

The maximum risk exposures of financial assets that are subject to credit risk are equal to their carrying amounts.

Following table depicts the maximum risk exposure of financial assets reported at the reporting date.

Risk Exposure to Financial		
	2023	2022
Cash and Cash Equivalents	499,185,028	297,471,301
Investments in Government Securities	958,141,229	807,101,718
Investments in Government Securities	2,925,863,811	2,523,866,395
Trade and Other Receivables	24,131,615,412	28,453,931,827

Figures in brackets indicate deductions

Notes to the Financial Statements continued



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

B. Financial Risk Factors Contd...**Trade and Other Receivables**

The company trades mainly with agrarian service centers, government institutions and authorized dealers. The management assesses the credit quality of authorized dealers based on the past experience and other factors such as financial guarantees from them. In addition, outstanding balances are monitored on an ongoing basis by the management and the Board.

The age analysis of the company's trade receivables is given in Note 15.

The company establishes policy for provision for impairment (Refer note 2.7 to the financial statements) that represents the estimate of incurred losses in respect of trade receivables. According to the impairment policy established, customers are reviewed individually to measure the impairment loss. Please refer note 15 to the financial statements relating to trade receivables and details of provision for impairment losses.

Subsidy Receivables

The receivables represent fertilizer subsidies to be received from the Treasury to compensate for import costs already incurred. The subsidy receivable is expected to recover within a period of 180-270 days. The company's exposure to credit risk arises from default in meeting contractual obligation of the Treasury, with a maximum exposure equal to the carrying amount of the receivables.

Other Financial Assets

Credit risk arising from other financial assets of the company comprises deposits held with banks and financial institutions, cash and cash equivalents. The company's exposure to credit risk arises from default in meeting contractual obligation of contractual parties, with a maximum exposure equal to the carrying amount of these financial instruments. The company manages its credit risks with regard to these financial instruments by mainly placing its fund with state financial institutions and other government institutions.

02 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and unexpected conditions, without incurring unacceptable losses.

Company monitor financial assets and liabilities and prepares variance report quarterly by comparing with the annual budget. The management monitors the daily bank balances and liquidity requirements to ensure that the company has sufficient cash to meet operational needs.

The following table depicts the company's financial assets and liabilities maturity analysis as at 31 March 2021 based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Financial Assets and Liabilities	Carrying Amount	6 Month or Less	6 - 12 Months	More than 1 Years
Financial Assets				
Investments in Government Securities	958,141,229	-	958,141,229	-
Investments in Government	2,925,863,811	2,595,318,881	330,544,930	-
Cash and Cash Equivalents	499,185,028	499,185,028	-	-
Trade and Other Receivables	24,131,615,412	24,131,615,412	-	-
Employees Loans and Advances	41,567,777	41,567,777	-	-
Total Undiscounted Financial Assets	28,556,373,257	27,267,687,098	1,288,686,159	-
Financial Liabilities				
Interest Bearing Borrowings	22,415,944,146	-	209,041,249	22,206,902,897
Trade and Other Payables	2,315,977,743	5,636,893,295	3,906,516.96	-
Deposits and Advances Received	20,485,353	20,485,353	-	-
Bank Overdrafts	-	-	-	-
Total Undiscounted Financial Liabilities	24,752,407,243	5,657,378,648	212,947,766	22,206,902,897
Net Undiscounted Financial Assets / (Liabilities)	3,803,966,015	21,610,308,450	1,075,738,393	(22,206,902,897)

03 Market Risk (Currency Risk and Interest Rate Risk)

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates which will affect the company's income or the carrying value of holdings of financial instruments.

Currency Risk

The company's exposure to currency risk arising from fluctuations in the value of US Dollar (USD) against the Sri Lankan Rupee after Central Bank of Sri Lanka allowed the Sri Lanka Rupees to freely float against USD during the reporting period. The company's functional currency in respect of imports fertilizers is USD however settlements of imports are made through rupee accounts. revenue is USD in which most of the transactions are denominated. Certain bank balances are denominated in USD.

The company has reported foreign exchange losses included in the operating results for the reporting period 2021 is Rs.373,856,996/-.

Interest Rate Risk

The company's exposure to interest risk is the changes in market interest rates relate to the interest bearing borrowings with a fixed interest rate Rs 21,077,869/- of the company's interest bearing loans and borrowings carried interest at fixed rates. The company has bank balances including term deposits placed with state banks. The company monitors interest rate risk by actively monitoring interest rate movements. However, interest are paid by Government's treasury.

Figures in brackets indicate deductions



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

32 Related Party Disclosures

The Company's related parties includes Government of Sri Lanka, State-Owned Enterprises, Other Related Entities and key management personnel.

Transactions with Key Management Personnel

According to the Sri Lanka Accounting Standards LKAS.24 "Related Party disclosures" Key Management Personnel are those having responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the Board of Directors and the General Manager have been classified as Key Management Personnel.

Transactions with Key Management Personnel are given below.	2023	2022
Remuneration and Other Short - Term Employee Benefits	2,325,374	2,325,374

Related Party Transactions

Details of significant related party transactions that company carries out are as follows:

Name of the Related Party	Nature of Transactions	Transaction Value (Rs.)	Balance (Due to)/Due from
Government of Sri Lanka	Capital Grants		
	Subsidies Received out of the claims made amounts to	1,687,821,803	
	Sales of Goods	536,112,271	
	Recoveries of Trade Receivables	5,088,400	
State-Owned Enterprises	Short-term Loans borrowed	13,574,325,625	
	Settlements of Loans	(16,378,465,226)	
	Investments In Treasury Bills and Repo's		
	Proceeds from Maturity of Investment		
	Interest Received	624,950,155.30	
	Investments In Fixed Deposits		
	Investment during the year		
	Interest Received	-	
	Call Deposits and Saving Deposits	194,759,402.19	
	Current Accounts	499,185,028.39	
Current Accounts - Overdraft	-		
Other Government Related Entities	Recoveries of Trade Receivables	68,805,790.00	

Figures in brackets indicates deductions.

