



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No. }

ප්‍රකාශන අංකය/ප්‍රකාශන දිනය/01/2024/01

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date } 2025 සැප්තැම්බර් 30 දින

සභාපති

සීමාසහිත ස්ටේට් ෆර්ටිලයිසර් සමාගම

සි/ස කොළඹ කොමර්ෂල් පොහොර සමාගමේ 2024 ජුනි 30 දිනෙන් අවසන් මාස 03 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

සි/ස කොළඹ කොමර්ෂල් පොහොර සමාගමේ (“සමාගම”) 2024 ජුනි 30 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් මාස 03 සඳහා වූ විස්තීර්ණ ආදායම් ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය සහ එදිනෙන් අවසන් මාස 03 සඳහා මුදල් ප්‍රවාහ ප්‍රකාශනය සහ ප්‍රමාණාත්මක ගිණුම්කරණ ප්‍රතිපත්ති වලට අදාළ තොරතුරු ද ඇතුළත් මූල්‍ය ප්‍රකාශනවලට අදාළ සටහන් වලින් සමන්විත 2024 ජුනි 30 දිනෙන් අවසන් මාස 03 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 තත්ත්වගණනය කළ මතය සඳහා පදනම කොටසේ විස්තර කර ඇති කරුණු වලින් වන බලපෑම හැර, සමාගමේ මූල්‍ය ප්‍රකාශන තුළින් 2024 ජුනි 30 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් මාස 03 සඳහා එහි මූල්‍ය ක්‍රියාකාරීත්වය හා මුදල් ප්‍රවාහ ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතිවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 තත්ත්වගණනය කළ මතය සඳහා පදනම

- (අ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 36 හි 96 ඡේදය ප්‍රකාරව සමාලෝචිත කාලච්ඡේදයට අදාළ හානිකරණ අලාභ සඳහා වෙන්කිරීම සිදුනොකර 2018 වර්ෂයේදී හානිකරණ අලාභ සඳහා වෙන්කිරීම් ලෙස හඳුනාගත් රු.37,384,363 ක් එම වර්ෂයේ සිට දිගින් දිගටම ණය ගැති ශේෂයෙන් අඩුකර දක්වා තිබුණි.
- (ආ) සමාගමේ මූල්‍ය ප්‍රකාශන තුළ ජංගම වගකීම් යටතේ රු.32,438,030 ක කෙටිකාලීන බැංකු ණය වටිනාකමක් දක්වා තිබුණද, බැංකුවෙන් ඉදිරිපත්කරන ලද ණය ශේෂ සනාථන ලිපි තුළ එවැනි ණය වටිනාකමක් ඇතුළත්ව නොතිබුණි.
- (ඇ) භාණ්ඩගාරයෙන් ලැබිය යුතු පොලී, අයකර ගතහැකි වත්දි මුදල් හා ආනයන මත ලැබීම් හි එකතු වටිනාකම වූ රු.188,714,753 ක් වර්ෂ ගණනාවක සිට අය නොවී පවතින අතර එම ශේෂයන්ට අදාළව ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 36 ප්‍රකාරව අවශ්‍ය ගැලපීම් සිදුකර නොතිබුණි.

- (ඇ) කල්බදු වාරික ගෙවා අවසන්කළ රු.32,332,609 ක් වූ වාහන වලට අදාළ ක්ෂය වටිනාකම රු.1,007,625 ක් වුවත්, මූල්‍ය ප්‍රකාශන තුළ රු.255,374 ක් පමණක් ඇතුළත්කර තිබීම හේතුවෙන් කාලච්ඡේදයේ ලාභය හා මෝටර් වාහන වල වටිනාකම රු.752,251 කින් අධිගණනය වී තිබුණි.
- (ඉ) කුඩා තේ වතු සංවර්ධන අධිකාරිය සමඟ ඇතිකරගත් ගිවිසුමකට අනුව සමාගම විසින් අලෙවි කරන තේ කිලෝ ග්‍රෑම් 50 මිශ්‍ර පොහොර මිටියක විකුණුම් මිලෙන් රජය විසින් ලබා දෙනු ලබන රු.2,000 ක වටිනාකම සමාගමේ විකුණුම් ලෙස මූල්‍ය ප්‍රකාශන තුළ ඇතුළත් නොකර විකුණුම් පිරිවැය ගණනය කිරීමේදී පොහොර සහනාධාර ලෙස ඒ යටතේ අඩුකර දැක්වීම හේතුවෙන් කාලච්ඡේදයේ විකුණුම් වටිනාකම රු.76,440,000 කින් මූල්‍ය ප්‍රකාශන තුළ අඩුවෙන් දක්වා තිබුණි.
- (ඊ) සමාලෝචිත කාලච්ඡේදයට අදාළ ක්ෂය තුළ කල්බදු වත්කම්හි ක්ෂය රු.255,374 ඇතුළත් වන නමුත් මුදල් ප්‍රවාහ ප්‍රකාශයේ එය නැවත අඩුකර දක්වා තිබීම හේතුවෙන් මෙහෙයුම් ක්‍රියාකාරකම් වලින් ජනිත මුදල් ප්‍රවාහය එම ප්‍රමාණයෙන් අධිගණනය වී තිබුණි.
- (උ) ස්ථාවර තැන්පත් පොළී ආදායම ගණනය කිරීමේ දී රු.158,432 ක් අඩුවෙන් ගණනය කර තිබීම හේතුවෙන් සමාලෝචිත කාලච්ඡේදයේ ලාභය එම ප්‍රමාණයෙන් ඌණ ගණනය වී ඇත.
- (ඌ) මුදල් ප්‍රවාහ ප්‍රකාශයේ පොළී ලැබීම් යටතේ ලැබිය යුතු පොළී ආදායම් රු.70,044,062 ක් හා ස්ථාවර තැන්පත්වල ප්‍රාග්ධනික කරන ලද රු.73,538,362 ක පොළී ආදායම ඇතුළත් කර තිබීම හේතුවෙන් ආයෝජන ක්‍රියාකාරකම්වලින් ජනිත මුදල් ප්‍රවාහය රු.143,582,425 කින් අධිගණනය වී ඇත.
- (එ) සමාලෝචිත කාලච්ඡේදය තුළ ගෙවන ලද කල්බදු වාරික ගෙවීම්වල අගය රු.511,596 ක් වූ අතර මුදල් ප්‍රවාහ ප්‍රකාශයේ එය රු.866,861 ක් ලෙස දැක්වීම හේතුවෙන් මූල්‍ය ක්‍රියාකාරකම්වලින් වලින් ජනිත මුදල් ප්‍රවාහය රු.355,265 කින් ඌණගණනය වී ඇත.
- (ඵ) 2024 මාර්තු මාසයට අදාළ රු.336,401 ක ඉන්ධන වියදම් සමාලෝචිත කාලච්ඡේදයේ වියදම් ලෙස ගිණුම්ගතකර තිබීම හේතුවෙන් සමාලෝචිත කාලච්ඡේදයේ ලාභය එම ප්‍රමාණයෙන් ඌණගණනය වී තිබුණි.
- (ඹ) සමාලෝචිත කාලච්ඡේදය තුළදී ගෙවන ලද රු.475,457 ක මුළු වාහන රක්ෂණ ගාස්තුව මූල්‍ය ප්‍රකාශන තුළ කාලච්ඡේදයේ වියදමක් ලෙස හඳුනාගෙන තිබුණද ඒ තුළ ඉදිරි මූල්‍ය වර්ෂයට අදාළව රු.368,039 ක් ඇතුළත්ව තිබීම හේතුවෙන් කාලච්ඡේදයේ ලාභය එම ප්‍රමාණයෙන් ඌණගණනය වී තිබුණි.
- (ඹ) 2024 ජුනි මාසය සඳහා උපචිත වූ රු.574,814 ක වීදුලි බිල්පත ද රු.35,345 ක ජල බිල්පත් ද රු.73,342 ක දුරකථන බිල්පත් ද රු.581,905 ක ආරක්ෂක ගාස්තු බිල්පත ද ගිණුම්ගත කර නොතිබීම හේතුවෙන් සමාලෝචිත කාලච්ඡේදයේ ලාභය රු.1,068,669 කින් අධිගණනය වී ඇති අතර යෙදවුම් මත එකතු කළ අගය බද්ද රු.196,737 කින් හා ජංගම නොවන වගකීම් රු.1,265,406 කින් ඌණගණනය වී ඇත.
- (ක) පෙර වර්ෂයන්ට අදාළ එකතු වටිනාකම රු.905,848 ක් වූ වෘත්තීය ගාස්තු, වැටුප්ද, දීමනා හා ඉන්ධන වියදම් වලට අදාළ ගෙවීම් සමාලෝචිත වර්ෂයේ වියදම් ලෙස ගිණුම්ගත කර තිබීම හේතුවෙන් වර්ෂයේ ලාභය එම ප්‍රමාණයෙන් ඌණගණනය වී තිබුණි.

- (ග) මුදල් ප්‍රවාහ ප්‍රකාශය තුළ ගෙවූ බදු ලෙස රු.73,879,865 ක් සඳහන් වූවද සමාලෝචිත කාලච්ඡේදය තුළ සත්‍ය වශයෙන්ම ගෙවන ලද ආදායම් බදු වටිනාකම රු.64,563,061 ක් වීම හේතුවෙන් මෙහෙයුම් ක්‍රියාකාරකම්වලින් ජනිත ශුද්ධ මුදල් ප්‍රවාහය රු.9,316,804 කින් උණුගණනය වී ඇති බව නිරීක්ෂණය විය.
- (ව) ලැබිය යුතු වෙළඳ ණය ශේෂයන් අතර සි/ස ලංකා පොහොර සමාගමෙන් ලැබිය යුතු රු.5,983,717 ක ශේෂයක් ද, වෙනත් ලැබිය යුතු ණය ශේෂයන් තුළ රු.960,000 ක ශේෂයක් ද ඇතුළත්වන නමුත් සි/ස ලංකා පොහොර සමාගමේ ගිණුම් තුළ එවැනි ගෙවිය යුතු අගයක් නිරූපණය නොවීය. ඒ අනුව එම ශේෂයන්ගේ පැවැත්ම සම්බන්ධයෙන් අවිනිශ්චිත තත්ත්වයක් විගණනයට නිරීක්ෂණය විය.

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

1.3 කරුණක් අවධාරණය කිරීම - සමාගම් ඒකාබද්ධ කිරීමේ ක්‍රියාවලිය

රජයේ පොහොර සමාගම් දෙක ඒකාබද්ධ කිරීමට අදාළව සමාගමේ මූල්‍ය ප්‍රකාශන තුළ ඇතුළත් සටහන් අංක 43 කෙරෙහි අවධානය යොමු කරවමි. ඒ අනුව සීමා සහිත ලංකා පොහොර සමාගම හා සීමා සහිත කොළඹ කොමර්ෂල් පොහොර සමාගම 2024 ජූලි 01 දින සිට ඒකාබද්ධ කර සීමා සහිත රාජ්‍ය පොහොර සමාගම ස්ථාපනය කරන බව සඳහන් කර ඇති අතර, එම සමාගමෙහි මූල්‍ය ප්‍රකාශන 2024 අප්‍රේල් 01 දින සිට 2024 ජුනි 30 දින දක්වා වූ කාලච්ඡේදය ආවරණයවන ලෙස ඉදිරිපත්කර ඇත. මෙම කරුණ සම්බන්ධයෙන් මාගේ මතය විකරණය කරනු නොලැබේ.

1.4 සමාගමේ 2024 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු

මෙම විගණන වාර්තාවේ දිනට පසුව මට ලබා දීමට බලාපොරොත්තු වන සමාගමේ 2024 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 2024 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.

1.5 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.

1.6 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 සැමවිටම 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 සැකමුසු බවින් 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, චේතනාන්විත මහභරීමෙන්, 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 හෙළිදරව්කිරීම් ප්‍රමාණවත් නොවන්නේ නම් මාගේ මතය විකරණය 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 නෛතික 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 තත්ත්වගණනය කළ මතය සඳහා පදනම් 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 (i) (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(i) (ඇ) (iv) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව 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 ප්‍රකාශන 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 තත්ත්වයෙන් බැහැරව සම්බන්ධයක් ඇති බව.

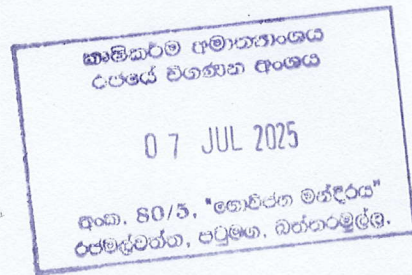
- 2.2.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (ඊ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව යම් අදාළ ලිඛිත නීතියකට හෝ සමාගමේ පාලක මණ්ඩලය විසින් නිකුත් කරන ලද වෙනත් පොදු හෝ විශේෂ විධානවලට අනුකූල නොවන ලෙස ක්‍රියා කර ඇති බව.
- 2.2.3 2018 අංක 19 දරන ජාතික විගණන පනතේ 12(උ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ බලතල, කර්තව්‍ය 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 සමාගමේ සම්පත් සකසුරුවම් ලෙස, කාර්යක්ෂම ලෙස සහ ඵලදායී ලෙස කාලසීමාවන් තුළ අදාළ නීතිරීති වලට අනුකූලව ප්‍රසම්පාදනය කර භාවිතා කර ඇති බව.

2.3 වෙනත් කරුණු

- (අ) 2024 මැයි 07 දිනැති අමාත්‍ය මණ්ඩල තීරණය ප්‍රකාරව ආසියානු සංවර්ධන බැංකු ණය ආධාර යටතේ ආනයනය කරන ලද MOP පොහොර තොගයෙන් සමාගම විසින් පවරාගත් පොහොර මෙ.ටොන් 11,460 කට අදාළව රු.1,260,600,000 කින් වාරික වශයෙන් භාණ්ඩාගාරයට ප්‍රේෂණය කිරීමට එකඟ වී ඇති රු.157,570,000 ක ජුනි මාසයට අදාළ වාරික මුදල භාණ්ඩාගාරයට ප්‍රේෂණය කර නොතිබුණි.
- (ආ) 2016 පෙබරවාරි 29 දිනට සමාගම සතුව ඉතිරිව තිබී විවෘත වෙළඳපොළ තුළ අලෙවි කිරීමට ඉඩලබා දී තිබුණු සහනාධාර පොහොර සඳහා රජයේ දායක මුදල වන රු.2,112,468,040 ක් භාණ්ඩාගාරයට ප්‍රේෂණය නොකොට වර්ෂ 05 කට අධික කාලයක සිට ගෙවිය යුතු ශේෂයක් ලෙස දක්වා මෙම ශේෂයට එරෙහිව සමාගමේ විවිධ වියදම් කපා හරිමින් 2025.06.30 දිනට එම ශේෂය රු.1,332,367,014 ක් ලෙස මූල්‍ය ප්‍රකාශන තුළ නිරූපණය කර තිබුණි.
- (ඇ) ගොවිජන සේවා මධ්‍යස්ථාන 25 ක් වෙතින් සමාගමට අයවිය යුතු මුළු වටිනාකම රු.4,917,722 ක් වූ වර්ෂ 05 කට වඩා පැරණි ණය ශේෂයන් සඳහා ශේෂ තහවුරු කිරීමක් හෝ එම ශේෂ අයකර ගැනීමට ක්‍රියාමාර්ග ගෙන නොතිබුණි.
- (ඈ) ණය පදනම මත පොහොර ලබාදීම වෙනුවෙන් වසර 05 කට වඩා පැරණි විවිධ රාජ්‍ය ආයතනයන්ගෙන් අයවිය යුතු රු.11,060,135 ක ණයගැති ශේෂයක් පැවති අතර එම ශේෂ අයකර ගැනීමට ක්‍රියාමාර්ග ගෙන නොතිබුණි.
- (ඉ) බෙදාහරින්නන් 96 දෙනෙකුගෙන් (Distributors) අයවිය යුතු වර්ෂ 05 ඉක්මවූ රු.68,175,792 ක ණයගැති ශේෂයෙහි නිරවද්‍යතාවය තහවුරුකර ගැනීමට සහ එම ශේෂ නිරවුල් කිරීමට කටයුතු කර නොතිබුණි.
- (ඊ) සමාගමේ බැංකු ගිණුම වෙත ලැබී තිබුණු රු.4,293,639 ක හඳුනානොගත් සෘජු තැන්පතු වලින් රු.3,914,000 ක් 2017 වර්ෂයේ සිට 2021 වර්ෂය දක්වා කාලය තුළ ලැබී ඇත්ත්, එම ලැබීම් විගණිත දිනය වන විටත් නිරවුල්කර ගැනීමට කටයුතු නොකර ජංගම වගකීම් යටතේ දක්වා තිබුණි.
- (උ) මූල්‍ය ප්‍රකාශන තුළ ජංගම වගකීම් යටතේ දක්වා ඇති රු.23,194,728 ක පාරිභෝගික තැන්පතු හා අධි ලැබීම් ශේෂය (Customer Deposit & Over Received) සමාගම විසින් පොහොර විකිණීම මත ඇති වූ වර්ෂ ගණනාවක සිට නිරවුල් නොවී පැවතෙන ශේෂ 214 ක එකතුවක් බවට නිරීක්ෂණය වූ අතර මෙම ශේෂ සනාථකර ගැනීමට හා නිරවුල් කරගැනීමට කටයුතුකර නොතිබුණි.

- (උ) හම්බන්තොට බදුගත් ඉඩමේ ගබඩාවක් ඉදිකිරීම සඳහා 2018 වර්ෂයේ රු.3,732,901 ක ප්‍රාරම්භක වියදමක් දරා තිබුණද, එම ඉඩමේ කිසිදු ඉදිකිරීමක් මේ වන තෙක් සිදු නොකර නිශ්කාර්යව පවතින අතර එම ඉඩම වෙනුවෙන් ඇතිකරගෙන ඇති බදු ගිවිසුම ප්‍රකාරව, 2024 වර්ෂය දක්වා වාර්ෂිකව රු.331,632 ක බදු මුදලක් ගෙවීම් කර තිබුණි. ඒ අනුව සමාලෝචිත මාස තුනක කාලච්ඡේදයට අදාළව අනාර්ථික දරන ලද බදු මුදල රු.82,908 ක වියදමක් වන අතර මෙම ඉඩමේ ගබඩාවක් ඉදිකිරීමේ අවශ්‍යතාවයක් මේ වන විට නොපවතින බවට තීරණයකර ඇතත් විගණිත දිනයවන විටත් මෙම ඉඩම ආපසු භාර දීමට කටයුතුකර නොතිබුණි.
- (එ) කාලච්ඡේදය අවසාන දිනට සමාගමේ බැංකු ගිණුම් තුළ රු.130,323,110 ක ශේෂයක් පැවතියද, සමාලෝචිත මාස තුනක කාලච්ඡේදය තුළ සමාගම විසින් ලංකා බැංකුව හා මහජන බැංකු අයිරා පොලී වියදම් ලෙස රු.2,315,872 ක් ගෙවා තිබුණි.


පී.එච්.ඩී.ධර්මපාල
විගණකාධිපති (වැ.බ)



FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30TH 2024

COLOMBO COMMERCIAL FERTILIZERS LTD.

HUNUPITIYA

WATTALA

Statement of Directors' Responsibilities

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

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

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

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

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

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

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

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

Compliance Report

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


Chamila S. Thilakarathna
Company Secretary
Colombo Commercial Fertilizers Ltd

By Order of Board of Directors

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

Chairman's and Financial Manager's Responsibility Statement

The Financial Statements of Colombo Commercial Fertilizers Ltd as at 30th June 2024 are prepared and presented in compliance with the requirements of the following,

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

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

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

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

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

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

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

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



COLOMBO COMMERCIAL FERTILIZERS LTD

(Expressed in Sri Lankan Rupees)

COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD 01.04.2024 TO 30.06.2024

30-06-2024

	NOTE	
Revenue	12	231,988,557
Cost of Sale	13	(176,040,613)
Gross Profit (Loss)		<u>55,947,943</u>
Other Income	14	326,627
		<u>56,274,570</u>
Administrative Expenses	15	(26,009,883)
Selling and Distribution Cost	16	(690,080)
Other Expenses	17	(117,435)
Profit (Loss) from Operation		<u>29,457,172</u>
Retirement Benefit Payment	46	(158,745,364)
Net Finance Income	18	88,472,337
Net Finance Income	18.a	(90,841,634)
Finance Expenses	18.b	2,369,297
Profit (Loss) before Tax		(40,815,855)
Income Tax Expenses	19	(32,214,867)
Net Profit for the year		<u>(73,030,721)</u>
Other Comprehensive Income (Expenses)		
<i>Items that will never be reclassified to profit or loss</i>		
Acturial Gain / (Loss) on Obligation		(19,545,285)
Deferred Tax Benefits / (Expenses) on Acturial Gain/Loss on Obligation		-
Impact from Property, Plant and Equipment Revaluation		-
Total Other Comprehensive Income		<u>(19,545,285)</u>
Total Comprehensive Income for the Quarter		<u>(92,576,006)</u>
Basic Earnings per Share	20	(7.30)

Figures in brackets indicates deductions.



STATEMENT OF FINANCIAL POSITION

	NOTE	30-06-2024 Rs.
NON CURRENT ASSETS		
Property Plant and Equipments	21	906,463,169
Right of Use Assets	22	-
Intangible Assets	23	1,757,689
Capital Work in Progress	24	3,752,491
		<u>911,973,349</u>
CURRENT ASSETS		
Inventories and other consumables	25	1,592,854,540
Trade and Other Debtors	26	10,138,726,760
Employees Loans and Advances	27	7,471,160
Deposits and Advances	28	4573316.051 4,674,516
Other Financial Assets	29	3,109,722,242
Cash at Bank	30	131,943,297
TOTAL CURRENT ASSETS		<u>14,985,392,515</u>
TOTAL ASSETS		<u>15,897,365,865</u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Stated Capital	31	100,000,000
Capital Reserve	32	1,683,685
Reconstruction and Reserve Reserve	33	1,124,862,080
Retained Earnings		2,962,331,964
		<u>4,188,877,729</u>
NON CURRENT LIABILITIES		
Retirement Benefit Obligation	34	10,485,447
Deferred Taxation	35	219,554,155
Interest Bearing Borrowings	36	4,799,045,177
Long Term Lease Liabilities	37	-
		<u>5,029,084,779</u>
CURRENT LIABILITIES		
Interest Bearing Borrowings	36	4,126,480,636
Short Term Lease Liabilities	37	-
Trade and Other Payables	38	2,458,686,087
Deposits and Advances Received	39	64,260,889
Statutory Payable	40	21,178,806
Accrued Expenses	41	8,796,938
Bank Overdraft	30	-
TOTAL CURRENT LIABILITIES		<u>6,679,403,356</u>
TOTAL EQUITY & LIABILITIES		<u>15,897,365,865</u>

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

FINANCE MANAGER
S.N.J. Wickremesinghe

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

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

CHAIRMAN

DIRECTOR

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

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

COLOMBO COMMERCIAL FERTILIZERS LTD.

(Expressed in Sri Lankan Rupees)

FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVE	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL
RETAINED BALANCE AT 31-03-2024	100,000,000	1,683,685	-	1,124,873,150	3,060,888,060	4,287,372,573
Comprehensive Income for the Year						
Net Profit/Loss for the Period	-	-	-	-	(73,030,721)	(73,030,721)
Other Comprehensive Expenses for the Year (Net of Tax)	-	-	-	-	(19,545,285)	(19,545,285)
Total Comprehensive Income for the Year	-	-	-	-	(92,576,006)	(92,576,006)
Dividend	-	-	-	-	-	-
Prior Year Adjustments	-	-	-	(11,070)	(5,980,089)	(5,991,159)

RETAINED BALANCE AT 30-06-2024	100,000,000	1,683,685	-	1,124,862,080	2,962,331,964	4,188,805,407
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3060888059
98,556,095

5640378.8

Figures in brackets indicates deductions.



CASH FLOW STATEMENT

30-06-2024

Cash Flows from Operating Activities

Profit Before Taxation (40,815,855)

Adjustments for;

Depreciation 10,065,927

Amortization of Intangible Assets 351,122

Sale of Property, Plant and Equipment 37,956

Depreciation of right of use of leased assets 255,374

Gratuity Charge for the Year 854,644

Interest Income (90,841,634)

Interest Expenses for lease 19,624

Prior Year Adjustements (5,991,159)

Operating Profit Before Changes in Working Capital (126,064,001)

Changes in Working Capital

Inventories (153,110,909)

Trade and Other Receivables 1,270,025,113

Deposits and Advances 5,094,810

Employees Loans and Advances 9,416,705

Trade and Other Payables (16,986,343)

Deposits and Advances Received (1,497,162)

Accrued Expenses and Provision (4,645,269)

Cash Generated from Operations 982,232,944

Gratuity Paid (34,044,510)

Interest Paid (19,624)

Taxes Paid (73,879,865)

Net Cash Flow from Operating Activities 874,288,946

Cash Flows from Investing Activities

Acquisition of Property, Plant and Equipment (30,950)

Increasing the investment on working capital 1,085,300

Acquisition of Intangible Assets (1,463,470)

Proceeds from Sale of Property, Plant and Equipment 30,000

Net Investments in Other Financial Assets 527,349,828

Interest Received 90,841,634

Net Cash used in Investing Activities 617,812,343

Cash Flows from Financing Activities

Dividends Paid During the Year -

Repayment of Lease Liabilities (866,861)

Settlements of Borrowings During the Year (1,228,669,962)

Net Cash used in Financing Activities (1,229,536,823)

Net Changes in Cash and Cash Equivalents During the Year 262,564,465

Cash and Cash Equivalents at Beginning of the Year (130,621,168)

Cash and Cash Equivalents at End of the Year (Note) 30 131,943,297

Figures in brackets indicates deductions.



COLOMBO COMMERCIAL FERTILIZERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30th JUNE 2024

1 Corporate Information

1.1 Reporting entity

The Colombo Commercial Fertilizers Limited (the "Company") is a Limited Liability company incorporated on 04 10 1989 under act No. 17 of 1982 and reregistered on 15.07.2011 under the companies Act No. 7 of 2007, and domiciled in Sri Lanka and is fully owned by the Government of Sri Lanka.

The registered office and principle place of business of the company is located at Dalupitiya Road, Hunupitiya, Wattala.

1.2 Company

The company primarily involved in importing, blending and marketing fertilizer required for paddy, tea, coconut, rubber and other crops.

1.3 Financial year

The Company's financial reporting period ends on 31st March each year. However, these financial statements were prepared for the quarter ended 30/06/2024 since Colombo Commercial Fertilizers will be amalgamating with Ceylon Fertilizer Company from 01/07/2024 onwards.

1.4 Date of authorization for issue

The Board of Directors of the Company is responsible for the preparation and presentation of the Financial Statements. The financial statements of the Company for the quarter ended 30th June 2024 were authorized for issue in accordance with a resolution of the Board of Directors dated ..
.....

1.5 Number of employees

Out of the 116 employees 71 employees were retired under the CRS Scheme as at 01/07/2024. No. of employees as at 30/06/2024 is 45.

2. Basis of preparation

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (referred to as SLFRS), issued by The Institute of Chartered Accountants of Sri Lanka (CASL) and the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position

- Buildings and other non-current assets except for land, are stated at fair value based on the valuation done by an independent valuer as at 08.01.2024
- Financial instrument at fair value through profit and loss are measured at fair value
- Defined benefit obligation is measured after actuarially valuing the present value of the defined benefit of obligation is recorded

2.3 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees, (LKR) which is the functional currency of the Company and used in primary economic environment of in which the entity operates. All financial



COLOMBO COMMERCIAL FERTILIZERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30th JUNE 2024

information presented in Sri Lankan Rupees which has been rounded to the nearest rupees unless stated otherwise

2.4 Use of Estimates and Judgments and Assumptions

The preparation of financial statements in conformity with Sri Lanka Accounting Standards (SLFRS/LKAS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.4.1 Revaluation of Property, Plant & Equipment

The Company carries its land at the value determined by the committee appointed for valuation by the general treasury when acquiring the same to the government on 1997. Further details of the land are explained in Note 21. Other non-current Assets were revalued by an independent valuer as at 08.01.2024 and the fair value is presented in financial statements.

2.4.2 Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash-generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

2.4.3 Retirement Benefits

The cost of defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.4.3.1 Termination Benefits

Nature of the Scheme

During the year, the company implemented a Compulsory Retirement Scheme (CRS) with the approval of the Cabinet of Ministers. The scheme aims to optimize workforce efficiency and streamline operations. Eligible employees who opted for the scheme were provided with termination benefits, including severance payments and other compensations.

Accounting Policy

Termination benefits are recognized as an expense when the company is committed to the scheme and the employees accept the offer of voluntary retirement. The liability is measured based on the actual amounts payable under the scheme.



2.4.4 Fair Value of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been consistently applied to all periods presented in these Financial Statements.

3.1. Foreign Currency

3.1.1 Foreign Currency Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences of gains and losses arising on settlement or translation of monetary items are recognized in the statement of comprehensive income.

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

3.2. Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, for rental to others for administrative purposes and are expected to be used during more than one period. Items of Property, plant and equipment are measured at fair value, except for the land.

3.2.1 Basis of Recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Company and cost of the asset can be reliably measured.

3.2.2. Initial Recognition and Measurement

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.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

3.2.3 Subsequent Costs



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Subsequent expenditure is capitalized only when it is improbable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expended as incurred.

3.2.4 Revaluation Model

The Company applies the revaluation model to the entire class of PPE except for Land. Property plant and equipment were carried at fair valued amount, as at 08.01.2024 which was revalued by an independent Valuer.

Property, plant and equipment of the Company were carried at revalued amount in the Statement of Financial Position prepared in accordance with SLAS prior to 31 March 2012.

3.2.5 Election of Cost Model

Company's Land is measured at cost (Pls refer 9.3 - Changes in Significant Accounting Policies).

3.2.6. Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in Statement of Income when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized.

3.2.8. Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

Land is not depreciated; depreciation on other assets is calculated at the following rates on a straight line method over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the Company.

Their estimated useful lives and residual values are reviewed at each reporting date: The estimated useful lives of the current and comparative periods are as follows

Buildings	30 Years
Plant and Machinery	15 Years
Motor Vehicles	08 Years
Office Equipment	04 Years
Furniture and Fittings	05 Years
Computer Accessories	04 Years
Printers/Fax Machines	03 Years
Air Conditioners	05 Years



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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.

3.2.9. Intangible Assets

Acquired Computer software and operating system are capitalized on the basis of the cost 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	03 Years
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Costs associated with maintaining computer software programmers are recognized as an expenses as incurred.

3.2.10 Impairment of Non-Financial Assets

The carrying value of the company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

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.

In respect of other assets except goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decrease or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

3.3 Capital work-in-progress

Capital expenses incurred during the year which are not completed as at the balance sheet date are shown as capital work-in-progress, whilst the capital assets which have been completed during the year and in use have been transferred to property, plant & equipment.



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3.4 Current Assets

Assets classified as current in the Statement of financial position are cash and bank balances and those which are expected to be realized in cash during the normal operating cycle or within one year from the Statement of financial position date whichever is shorter.

3.4.1 Inventories - Direct and Mixed Fertilizers

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

Packing material and Consumable items are stated at cost

3.5. Financial Instruments

3.5.1 Non Derivative Financial Assets

Initial recognition and measurement

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

Classification and Subsequent measurement

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

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

3.5.1.1 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 intent and ability to hold them until maturity and which were not designated as at fair value through profit or loss or as available-for-sale. HTM investments are record under current assets.

3.5.1.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and the Company does not intend to sell immediately or in the near term. 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, deposits, loans to employees and cash and cash equivalents in end of the reporting period.

During the financial year there were no assets classified as Fair value through profit and loss and Available for sale.

3.5.2. Subsequent Measurement

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

3.5.2.1. 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 the discount or premium on acquisition and transaction costs.

3.5.2.2. Loans and receivables

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less allowances for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the (Effective Interest Rate) EIR. The EIR amortization is included in profit or loss as finance income.

3.5.2.3 Derecognition

The Company derecognizes financial asset when the contractual rights to the cash flows from the financial asset expires, or when it transfers the financial asset in a transaction in which substantially.

all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability in the Statement of Financial Position. On derecognition 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 consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss. Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

3.5.3 Impairment of Financial Assets

Assets carried at amortized cost

For financial assets carried at amortized cost, the Company assesses at the end of each reporting period whether there are objective evidences exist individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.



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A financial asset is impaired and impairment losses are incurred only if there is objective evidence that an impairment loss has been incurred, 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. the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

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

The Company considers evidence of impairment for receivables at both specific asset and collective level. All individually significant receivables are assessed for specific impairment. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the company - uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgments as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.6 Collaterals

Company has pledged its' following Fixed Deposits to the People's bank Corporate division against the LC facilities obtained on behalf of import of fertilizers and O/D facilities.

FD No.	Amount	
222-60-01-00009791-2	50,000,000.00	Assigned as an insurance fund
222-60-01-00012080-6	150,000,000.00	Assigned as an insurance fund
81942328	200,000,000.00	Overdraft facility
81994288	300,000,000.00	Overdraft facility

3.7 Financial Liabilities

3.7.1. Non derivative financial liabilities

3.7.1.1 Initial recognition and measurement

Financial liabilities within the scope of SLFRS/LKAS are recognized when and only when the company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognized initially at fair value plus in case of financial liabilities which can be classified in to two categories as financial liabilities at fair value through profit and loss and other financial liabilities. Company has classified its financial liabilities in to other financial liability category.

3.7.2 Offsetting

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under LKASs/SLFRSs, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

3.8 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.

Trade receivables are recognized initially at fair value, which is the invoice value and subsequently measured at the original invoice value less impairment.

The Company assesses at the end of each reporting period whether there is objective evidence that trade receivables are 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

3.9 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.



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3.10 Stated Capital

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

3.11 Trade and Other Payables

The Company's other financial liabilities include borrowings, trade and other payables and bank overdraft. 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.

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.

3.12 Borrowings

3.12.1. Initial recognition

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

3.12.2. Subsequent measurement and recognition

The Company classifies on derivative financial liability into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities including interest bearing loans and borrowings are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized.

3.13 Borrowing Cost

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

3.14 Government Grants and subsidy

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

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

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

3.15 Corporate tax and differed Taxes

The Company is subjected to income taxes. The Company recognizes liabilities for anticipated taxes based on estimates of taxable income where the final tax outcome may be different from

amount that were initially recorded them. This difference will be affected to its current and deferred income tax. Such difference will impact the current and deferred income tax assets and liabilities in the period in which determination is made.

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 or items recognized directly in equity or in other comprehensive income. In this case, the tax is also recognized in other comprehensive income.

3.15.1 Current

The current income tax charge is the expected tax payable or receivable on the taxable income or loss for the year calculated on the basis of the tax rates and tax laws enacted or substantively enacted at the reporting period end applicable for the Company and any adjustment to tax payable in respect of previous years. Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Management evaluates periodically where appropriate on the basis of amounts expected to be paid to the tax authorities. With respect to situations in which applicable tax regulations subjected to interpretation and establishes provisions where appropriate

3.15.2 Deferred Tax

Deferred tax is recognized in respect of the taxable temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes or the tax bases of assets and liabilities and their carrying amounts in the financial statements except for;

- (a). the initial recognition of goodwill; or
- (b). the initial recognition of an asset or liability in a transaction which:
 - i. is not a business combination; and
 - ii. at the time of the transaction, affects neither accounting profit nor taxable profit.

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 nor 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

3.16 Employee Benefits

The Company has both defined contribution plans and defined benefit plan

3.16.1 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. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the income statement in the periods during which services are rendered by employees

3.16.2 Employees' Provident Fund

The company and employees contribute 12% and 10% respectively of the salary of each employee to the Employees Provident Fund. Managed by the Central Bank of Sri Lanka.

3.16.3. Employees' Trust Fund

The company contributes 3% of the salary of each employee to the Employees' Trust Fund managed by Central Bank of Sri Lanka.

3.16.4 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company is liable to pay retirement benefits under the Payment of Gratuity Act, No 12 of 1983. The liability recognized in the financial statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated using the formula method. The company has hired a qualified actuary to perform actuarial valuation to determine the obligation for previous year. However, as per the provisions made in section 57 and appendix D of LKAS 19 we have used the formula method to calculate the gratuity provision of the company.

In respect of any gains and losses arising from the gratuity calculation, is recognized in other comprehensive income statement and the related staff cost and other cost are recognized in the comprehensive Income statement. The company's liability arising on employees retirement benefits are not funded externally.

3.16 5. 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.

3.17 Provisions and Contingent Liabilities

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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 to settle the obligation 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.

3.18 Capital commitments & contingencies

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

3.19 Events after the balance sheet date

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. Except that, to enhance operational efficiency and strategic alignment, Ceylon Fertilizer Company Limited and Colombo Commercial Fertilizer Company Limited are in the process of amalgamating as mandated by Cabinet Decisions No. 21/0118/323/005 and 22/0706/514/001, dated 01.02.2021 and 30.05.2022, respectively. This merger will lead to the formation of a new entity named State Fertilizer Company Limited. The primary goal of this strategic decision is to optimize resources, streamline operations, and improve the effectiveness of fertilizer distribution within Sri Lanka.

Management is currently assessing the financial and operational impacts of the amalgamation. It is important to note that, as of the reporting date, the financial statements do not yet reflect these developments.

3.19 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.

- During the previous year, a fertilizer stock shortage of 87.985 metric tons (approximate cost value rupees 1.5 million) were detected. However, this matter is currently under investigation by the internal audit on a directive issued by the Chairman and since the matter has not been fully established no provision has been made in the books of accounts.

4. Cash Flow Statement



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The Cash Flow Statement has been prepared using the "Direct Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard (LKAS 7) "Statement of Cash Flows". Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalent include cash in hand, balances with banks, placements with banks, money at call and short notice

5. Revenue Recognition

Revenue is measured at the subsidized value received or receivable, and represents amounts receivable for sales of goods, stated net of Nation Building Tax (NBT). The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that economic benefits associated with the transaction will flow to the entity and when the cost incurred or to be incurred in relation to the transaction can be measured reliably.

The following specific criteria are used by the Company for the purpose of recognition of revenue.

5.1 Sale of Fertilizer

The Company import and sells direct fertilizers to state agencies designated by government and mixed fertilizers in the wholesale and retail markets. Sales of goods are recognized at the point that the risks and rewards of the goods have passed to the customer. It is the point of dispatch from the store to buyer's vehicles.

5.2 Interest Income

Interest income is recognized as it accrues in the income statement using effective interest method.

5.3 Rent Income

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

5.4 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, revaluation reserve and are recognized in the statement of comprehensive income.

5.5 Other Income

Other income is recognized on accrual basis.

6. Expenditure

All expenditure incurred in running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year. For the purpose of presentation of income statement, the Directors are of the opinion that function of expense method present fairly the elements of the company's performance, hence such presentation method is adopted.

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

Repairs and renewals are charged to the income statement in the year in which the expenditure is incurred. The profit earned by the company is before income tax expense and after making provision for all known liabilities, impairments and depreciation of property, plant & equipment.

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7 Withholding tax on dividends (WHT)

Dividends distributed out of taxable profit of the subsidiaries are subject to 10% deduction at source.

8 Basic earnings per share (EPS)

The financial statements present basic earnings per share (EPS) for its ordinary shareholders. The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

9. Related party transactions

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

10. New accounting standards issued not yet adopted

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

10.1 SLFRS 13-Fair Value Measurement

This SLFRS defines fair value, set out in a single SLFRS a framework for measuring fair value; and requires disclosures about fair value measurements. This SLFRS will become effective for the Company from 1 April 2014. Earlier application is permitted. This SLFRS shall be applied prospectively as of the beginning of the annual period in which it is initially applied. The disclosure requirements of this SLFRS need not be applied in comparative information provided for periods before initial application of this SLFRS.

10.2 SLFRS 9- Financial instruments

The objective of this SLFRS is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to

users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. An entity shall apply this SLFRS to all items within the scope of LKAS 39 financial instruments - recognition & measurement. The effective date of this standard has been deferred.

In addition to above below listed standards are also been changed, however the application of these standards do not have any impact on the financial statements of the company.

10.3 LKAS 8 – Changes in Significant Accounting Policies

1. SLFRS 16

SLFRS 16 Supersedes LKAS 17 Leases, evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.



The company has purchased three vehicles on finance lease basis during the financial year 2019/2020. Since, there were no leasing transactions for prior periods no adjustment is needed to record the same.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). Upon adoption of SLFRS 16, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low value assets. The Company recognized lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Policy Applicable After 01st April 2019 At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset representing the right to use the underlying asset and a lease liability at the lease commencement date.

Right-of-Use Asset

The right-of-use asset is initially measured at cost. This comprises of the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. After the commencement date, Company measures the right-of-use asset on cost model. Depreciation Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the underlying asset. If the ownership of the leased asset transfers to the Company at the end of the lease term, or the cost of the right-of-use asset reflects the exercise a purchase option, the asset is depreciated over the useful life of the underlying asset. The right-of-use assets are subject to impairment.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, on initial application the Company used the incremental borrowing rate as the discount rate to determine the lease liability. The Company determines its incremental borrowing rate using the interest rate mentioned at the lease agreement. The lease liability is measured at amortized cost using the effective interest method. After the commencement date, the Company measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-Term Leases and Leases of Low-Value Assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated



with these leases as an expense on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

Presentation in the Statement of Financial Position

The Company presents right-of-use assets separately from other assets and lease liabilities separately from other liabilities in its 'statement of financial position. Policy Applicable Before 01st April 2019 Accounting policies under LKAS 17 – "Leases" and IFRIC 4 - "Determining Whether an Arrangement Contains a Lease".

Finance Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership were classified as finance leases. On initial recognition, the leased assets under property, plant and equipment, were measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset was accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments under finance leases were apportioned between the finance expense and the reduction of the outstanding liability. The finance expense was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

11 Leased Land

According to the cabinet decision made on 05/09/2018 against the cabinet paper CP/18/1740/820, company has obtained a land in Mayurapura, Hambanthota on lease basis from the Mahaweli Authority of Sri Lanka (Walawe special Area) for a period of 30 years. Land extent is 0.0894 hectares and the assessed value of the land is Rs. 11,515,000.00. Lease amount per annum is Rs. 230,300/-.



NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

30-06-2024

12 REVENUE

Fertilizer Sale (Cash)	231,988,557
Fertilizer Sale (Credit)	-
	<u>231,988,557</u>

13 Purchases	(Note 13.1)	277,943,092
Direct Expenses	(Note 13.2)	2,301,165
Cost of Production		<u>280,244,257</u>
Finish Goods as at 01 April		1,409,592,766
Finish Goods as at 31 March		<u>(1,532,798,547)</u>
		157,038,476
General Overheads	(Note 13.3)	19,002,137
		<u>176,040,613</u>

Inventories are measured at the cost and net realizable value. The cost of the finished goods is computed based on the FIFO cost method. Net realizable value represent the difference between the cost per MT and the subsidiary entitle for a metric ton.

13.1 Purchases

Fertilizer Value	347,342,608
Contract labour wages	6,164,044
Transport Charges	687,700
Loading & Unloading Charges-RS	-
Fertilizer Testing Charges	188,741
Packing Materials	-
Exchange Loss	-
Exchange Profit	-
Treasury Grant	(76,440,000)
	<u>277,943,092</u>

13.2 Direct Expenses

Labour Charges	Note 13.2.1	857,179
Regional Stores Expenditure		9,000
Transport Charges to District Fertilizer Stores		<u>1,434,985</u>
		<u>2,301,165</u>

13.2.1 Labour Charges

Wages	598,019
Employees Provident Fund	71,762
Employees Trust Fund	17,941
Over Time & 1/20th Allowance	160,634
Unutilized Staff Leave & Incentive	2,489
Unutilized Medical Leave	-
Welfare & Medical	1,535
Meal Money & Combine Allowance	4,800
Incentive Payment	-
Bonus	-
	<u>857,179</u>

13.3 General Overheads

General Stores Items	42,964
Factory Overheads	<u>18,959,173</u>
	<u>19,002,137</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

30-06-2024

14 OTHER INCOME

Rent Received	9,600
Registration of Suppliers	290,000
Miscellaneous Income	25,427
Sale of Disposable Items	1,600
Sale of Fixed Assets	-
	326,627

15 ADMINISTRATION AND ESTABLISHMENT

Executive Staff Remuneration	Note	15.1	4,042,991
Clerical Staff Remuneration	Note	15.1	9,206,617
Head Office Casual / Trainees Remuneration	Note	15.1	-
Retirement Benefit			854,644
Building Maintenance			-
Electricity			25,019
Water Bill			34,162
Telephone Charges			141,059
Security Charges			1,002,718
Stationery			18,696
Postage & Telegram			70,876
Legal Charges			30,317
Motor Vehicle Maintenance			1,475,445
Fuel			1,238,306
Rates & Taxes			13,896
Office Equipment Maintenance			71,692
Travelling			39,643
Audit Fees			-
Other Administrative Expenses			58,420
Refreshment on Official Meetings			195,671
Building Depreciation			599,981
Office Equipment Depreciation			280,300
Furniture & Fittings Depreciation			501,662
Directors Allowance			426,000
Company Registration Expenses			-
Staff Skills Development Expenses			-
Insurance for Vehicle			634,752
Fertilizer License			-
Staff Welfare			683,486
TEC Allowance			270,000
Licence Fees			42,380
Directors Travelling Allowance			75,000
Professional charges			1,143,294
Audit & Management Committee Meeting Allowance A/C			42,500
Audit & Management Committee Meeting Travelling Allowance A/C			25,000
Semi Luxury Vehicle Tax			-
Amortization of Intangible Assets			351,122
Hambanthota New Warehouse Exp			82,908
Home Garden Expenses			-
Air Conditioners Depreciation			186,051
Computer Accessories Depreciation			759,706
Printers & Fax Machines Depreciation			258,155
Web Site Expenditure			226,036
Computers, Printers and Fax Machines Maintenance			84,336
A/C Maintenance			4,661
Depreciation of right of use of leased assets			255,374
Subsistence			339,865
Accommodate Expenses For Out Visit			103,140
Technical Evaluation Committee Travelling Allowance			114,000
			26,009,883



NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

15.1 Staff salaries and Remuneration for the year ended 30.06.2024

	EXECUTIVE STAFF	CLERICAL & ALLIED STAFF	TOTAL
Salaries	2,691,669	6,359,283	9,050,952
Employees Provident Fund	323,000	763,114	1,086,114
Employees Trust Fund	80,750	190,779	271,529
Unutilized Short Leave & Incentive	-	28,472	28,472
Over Time & 1/20th Allowance	855,507	1,524,213	2,379,720
Unutilized Medical Leave	57,114	120,519	177,632
Welfare & Medical	22,392	107,888	130,279
Combine Allowance & Meal Money	4,200	111,525	115,725
Incentive Payment	8,360	825	9,185
Bonus	-	-	-
Total	4,042,991	9,206,617	13,249,608

30-06-2024

16 SELLING AND DISTRIBUTION COST

Sales Promotion & Advertising	690,080
	690,080

17 OTHER EXPENSES

General Expenses	79,479
Sale of Fixed Assets	37,956
	117,435

18 NET FINANCE COST

18.a FINANCE INCOME

Interest on Fixed Deposits	87,561,615
REPO Investments	3,138,014
Interest from Employees Loans	142,006
	90,841,634

18.b FINANCE COST

Bank Charges	33,802
Penalty Charges	-
Bank Commission Charges	-
Interest On Overdraft	2,315,872
Interest for lease	19,624
	2,369,297

NET FINANCE INCOME

-88,472,337

19 Income Tax Expenses

Current Tax Expense	32,214,867
Deferred Tax Charge	0
	32,214,867

20 Amount used as the Numerator

Net Profit Attributable to Ordinary Shareholders (Rs.)	-92,576,006	696,020,880
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Number of Ordinary Shares used as the Denominator

Weighted Average number of Ordinary Shares in issue	10,000,000.000	10,000,000.000
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Basic Earnings per Share

-9.26 **69.60**

21 Property Plant and Equipments

Net Carrying Values			Economic Life Span / Years	Percentage	30-06-2024	2024
Land	-	-			90,000,000	90,000,000
Buildings	30	3%			710,549,262	716,549,075
Plant and Machinery	15	7%			18,631,076.41	18,928,702
Motor Vehicles	8	13%			57,584,079.51	46,943,630
Furniture and Fittings	5	20%			9,107,095.81	9,608,758
Office Equipment	4	25%			3,895,899	4,244,155
Computer Accessories	4	25%			10,751,889	11,502,646
Printers & Fax Machines	3	33%			2,615,596	2,873,751
Air Conditioners	5	20%			3,328,271	3,563,599
Provison for Impairment of Fixed Assets					906,463,169	904,214,317
					-	(522,471)
					906,463,169	903,691,846

Provisan for Impairment of Fixed Assets

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

21 Property, Plant and Equipment Contd...

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

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

21.3 Details of buildings owned by the company are as follows:

Ownership Status	Location	Last Revaluation Date	Carrying value	
			2024	2023
Buildings				
Building carried at revalued amount	Main Office and Stores -	08 January 2024	716,152,071	402,631,910
	Hunupitiya			
	Continer Office	08 Januarv 2024	397,004.57	
			<u>716,549,075</u>	<u>402,631,910</u>

21.4 Fair value hierarchy and valuation technique and significant unobservable inputs.

Fair value hierarchy

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

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

Valuation technique and significant unobservable inputs

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

	Valuation technique	Significant unobservable inputs
Buildings	Market comparable approach method	Estimated cost per square feet

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

21.6 The management has assessed the potential impairment indicators of property, plant and equipment as at 31 March 2024. Based on the assessment, the management does not foresee any indications of Impairment as at Company the reporting date.



COLOMBO COMMERCIAL FERTILIZES LTD

(Expressed in Sri Lankan Rupees)

22 Right of Use Assets

At Cost	As at 31 March 2024	Increases	(Decreases)	As at 30-06-2024
Motor Vehicles	32,687,873	-	32,687,873	-
	32,687,873	-	32,687,873	-
Depreciation	As at 31 March 2024	Charge for the year	As at 30-06-2024	
Motor Vehicles	19,931,545	-	-	
	19,931,545	-	-	
Net Book Value				-

23 Intangible Assets

At Cost	As at 31 March 2024	Additions	(Disposals)	As at 30-06-2024
Computer Software	3,666,185	-	-	3,666,185
Server & Network	-	1,463,470	-	1,463,470
	3,666,185	1,463,470	-	5,129,655
Depreciation	As at 31 March 2024	Charge for the year	As at 30-06-2024	
Computer Software	2,749,518	229,167	2,978,685	
Server & Network	271,325	121,956	393,281	
	3,020,843	351,122	3,371,966	
Net Carrying Value				1,757,689

24 Capital Work in Progress	31 March 2024	Expenditure Incurred	Amount Capitalized	30-06-2024
Work Stations	19,590	-	-	19,590
Hambanthota Warehouse	3,732,901	-	-	3,732,901
Server & Net Work	1,463,470	-	(1,463,470)	-
	4,837,791	-	(1,463,470)	3,752,491

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



COLOMBO COMMERCIAL FERTILIZES LTD

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

30-06-2024

25 Inventories and other consumables		
25 A Inventories		
Fertilizers	1,532,798,547	
Packing Materials	46,267,841	
	<u>1,579,066,388</u>	
25 B Other consumables		
General Stores Items	9,016,451	
Stationery	4,771,701	
	<u>13,788,152</u>	
Stok at NLDB Milk Bar	-	
	<u>1,592,854,540</u>	
26 TRADE DEBTORS AND OTHER REVEIVABLES		
Trade Receivable	280,127,569	
Less: Impairment of Trade receivable	37,384,363	
	<u>242,743,206</u>	
Net Trade Receivable	242,743,206	
Other Receivables	9,895,983,554	(Note 26.1)
	<u>10,138,726,760</u>	

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

26.1 Other Receivables	
Treasury Grant	9,398,472,189
From General Treasury - Interest	185,830,554
CCF Welfare Society - Loan	-
Fixed Deposit Interest Receivable	137,410,637
Treasury Investment Interest Receivable	-
Sundry Debtors	-
WHT Receivable	3,502,203
Ceylon Fertilizer Co. Ltd	960,000
Recoverable Claim	2,248,949
Receivable from Impots	635,250
Treasury Grant Receivable for Import of Organic Fertilizer	124,818,064
Treasury Grant Receivable for ERP Fertilizer	1,137,235
Treasury Grant Receivable for USAID	9,988,367
Treasury Grant Receivable for Indian Credit line	1,000,000
VAT Input	24,295,669
Receivable from Compulsory Retirement Benefits	837,135
Receivable Handling Cost from ASC	4,847,302
	<u>9,895,983,554</u>

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



31 Issued and fully paid			
Number of Ordinary Shares		<u>10,000,000</u>	<u>10,000,000</u>
Value (Rs.)		<u>100,000,000</u>	<u>100,000,000</u>
32 Capital Reserve		<u>1,683,685</u>	<u>1,683,685</u>
33 Reconstruction and Revaluation Reserve			
Capital Reserve	33.1	122,262,785	122,262,785
Revaluation Reserve 2007	33.2	105,668,272	105,668,272
Revenue Reserve	33.3	61,016,519	61,016,519
Revaluation Reserve 2019	33.4	423,774,255	423,774,255
Revaluation Reserve 2024	33.5	412,140,249	412,151,319
		<u>1,124,862,080</u>	<u>1,124,873,150</u>

33.1 Capital Reserve - Year 2000 Rs.122,262,785

Assets were re valued as at 14.02.2000 by chief value ,Valuation department for Rs. 140,000,000 The book Value of the assets as at 31.03.1993, according to Audited balance sheet was Rs. 17,737,215. Since then no any records to show the value of assets

33.2 Revaluation Reserve 2007 Rs. 105.893,272

Revaluation of fixed assets in March 2007 generated this revaluation reserve amounting to Rs. 105.893,272

33.3. Revenue Reserve 1997 Rs. 61,016,519

A unidentified difference of Rs. 237,451,804 between total assets and total liabilities were revealed In the reconstructing of the balance sheet as at 20.01.1997. After eliminating revaluation reserve of 122,262,785 the balance of Rs 115,189,019 has been transferred to a Revenue Reserve. Current liabilities and current assets relating to previous periods that are revealed and settled later also have been adjusted to this Revenue Reserve account. Thus suspense balance of Revenue Reserve has reduced to Rs. 61,016,519

33.4 Revaluation Reserve 2018 Rs. 423,774,254.74

Revaluation of fixed assets in March 2018 generated this revaluation reserve amounting to Rs. 423,774,254.74

33.4 Revaluation Reserve 2024 Rs. 412,151,319

Revaluation of fixed assets in March 2018 generated this revaluation reserve amounting to Rs. 412,151,319

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.

34 Retirement Benefits Obligation

Provision for PV-DBO as at 01-04-2024		24,130,029	17,046,187
Expenses Recognized in Income Statement	(Note 34.1)	20,399,929	12,859,400
Payments made during the year		(34,044,510)	(5,775,559)
Over Provision of the Previous Year		-	-
Balance as at 31 March 30-06-2024		<u>10,485,447</u>	<u>24,130,029</u>

34.1 Expense Recognized in Income Statement

Gratuity Charge			
Current Service Cost		130,743	907,067
Interest Charge for the Year		723,901	3,068,314
(Gain) / Loss Arising From Changes in the Assumptions		19,545,285	8,884,019
		<u>20,399,929</u>	<u>12,859,400</u>

The company has adopted the projected Unit Credit Method to calculate the Retirement Benefit Obligation and the Gratuity Formula (Appendix E) is used for the same. Assumptions used for the calculations are based on the management's best estimates.

The principal assumptions used are as follows.

Mortality	As per A1967/70Morality table	
Discount Rate [%]	12	18
Future Salary escalation rate [%]		6
Staff Turnover Factor [%]	2	2
Retirement age [Yrs]	60	60

Sensitivity Analysis

A sensitivity analysis has been conducted to illustrate the significance of the Discount Rate assumed in the calculation as at 31.03.2024

The results are as follows.

Discount Rate	Present value of defined benefit obligation
One Percentage Point Increase (+1%)	22,424,831
One Percentage Point Decrease (-1%)	26,076,583



NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

	2024-06-30	2024
35 Deferred Taxation		
Balance as at 01 April 2024	219,554,155	134,666,957
(Charge) / Reverse for the Year	0	84,887,198
Balance as at 30-06-2024	<u>219,554,155</u>	<u>219,554,155</u>
35.1 The Analysis of Deferred Tax Assets and Liabilities		
Deferred Tax Liability		
From Accelerating Depreciation	-	226,793,164
	<u>-</u>	<u>226,793,164</u>
Deferred Tax Assets		
From Retirement Benefits Obligation	-	7,239,009
From Impairment Provisions - Trade Debtors	-	-
	<u>-</u>	<u>7,239,009</u>
	<u>-</u>	<u>219,554,155</u>
Deferred tax assets are recognized for provision for retirement benefits obligation, impairment provision for trade and other receivables and non-moving stocks to the extent that the realization of the related tax benefits through future taxable profits are probable and deferred tax liabilities are recognized for accelerating depreciation and revaluation surplus.		
36 Interest Bearing Borrowings	30-06-2024	2024
Settlement Fall Due More than One Year		
Long Term Loan	4,799,045,177	6,027,613,162
Short Term Loan	-	-
	<u>4,799,045,177</u>	<u>6,027,613,162</u>
Settlement Fall Due Within One Year		
Short Term Loan	32,438,030	32,438,030
Long Term Loan	4,094,042,606	4,094,042,606
	<u>4,126,480,636</u>	<u>4,126,480,636</u>
	<u>8,925,525,813</u>	<u>10,154,093,798</u>
36.1 Movement of the Loan		
Balance as at 01 April 2024	10,154,093,798	14,178,112,005
Obtained During the Year		
Settlements Made During the Year	(1,228,669,962)	(4,024,018,207)
Balance as at 30-06-2024	<u>8,925,525,813</u>	<u>10,154,093,798</u>
37 Lease Liabilities	30-06-2024	2024
Long Term Lease Liabilities		
Motor Vehicles	-	-
	<u>-</u>	<u>-</u>
Short Term Lease Liabilities		
Motor Vehicles	-	866,861
	<u>-</u>	<u>866,861</u>
	<u>-</u>	<u>866,861</u>

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

30-06-2024

38 Trade and Other Payable

Trade Payable	Note 38.1	1,118,230,155
Other Payable	Note 38.2	1,340,455,932
		<u>2,458,686,087</u>

38.1 Trade Payables

Fertilizer Suppliers (Imports)	15,186,100
Fertilizer Suppliers (Local)	14,055
Treasury Payable for ADB Fertilizer	1,103,030,000
	<u>1,118,230,155</u>

38.2 Other Payable

Audit Fees	1,040,000
Treasury Payable	1,332,367,015
E.P.F. Payable	809,281
E.T.F. Payable	109,034
Stamp fees payable	13,700
Union Fees Payable	15,040
Third Party Deduction	18,642
Medical Insurance Claim	77,446
Salary Withholding	294,832
Welfare society & Death Donation	40,680
Medical Insurance Cover	440,027
Salaries Control	8,391
Other Creditors	2,009,625
Welfare Payable	200
VAT Output	-
Ceylon Shipping Corporation Ltd	3,212,019
	<u>1,340,455,932</u>

38.2.1 Treasury Payable

From 1st of March 2016, the New Subsidy Scheme was introduced by the Government to sell the Fertilizer at the Market Price and the prevailed Subsidy Scheme was removed from 29th February 2016. Accordingly the Company has to repay the Subsidy amount pertaining in the Closing Stock as at 29th February 2016 to the General Treasury.

39 Deposits and Advances Received

Employee Security Deposit	353,870
Refundable Deposits	210,000
Customer Deposits & Over	23,194,729
Deposits Prior to Clearance A/C	4,293,640
Advance From Tea Board	35,166,000
SSP Sales Control	1,042,650
	<u>64,260,889</u>

40 Statutory Payable

Current Taxation	21,250,958
Withholding Tax (WHT)	(1)
NBT	(162,897)
PAYE	90,746
Notional Tax Payable	-
	<u>21,178,806</u>

40.1 Current Tax

Balance at 01 April	62,934,187
Charge for the Year	
Payments Made - Self Assessment	
Payments Made - to Settle the Previous Liability	(64,563,061)
Set-off Against the Tax Credits - ESC	
Set-off Against the Tax Credits - WHT	(9,335,035)

- Notional tax

Adjustments in Retained Earning at the

- Economic Service Charges

Under/ (Over) Provision of Income Tax	32,214,867
Balance at 31 March	<u>21,250,958</u>

41 Accrued Expenses

Accrued Expenses	8,796,937
	<u>8,796,937</u>

42 Capital and Other Commitments

CCF has not entered into contracts with any parties for constructions for other capital commitment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

43 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. Except that.

To enhance operational efficiency and strategic alignment, Colombo Commercial Fertilizer Company and Ceylon Fertilizer Company are in the process of amalgamating as mandated by Cabinet Decisions No. 21/0118/323/005 and 22/0706/514/001, dated 01.02.2021 and 30.05.2022, respectively. This merger will lead to the formation of a new entity named State Fertilizer Company Limited. The primary goal of this strategic decision is to optimize resources, streamline operations, and improve the effectiveness of fertilizer distribution within Sri Lanka.

Management is currently assessing the financial and operational impacts of the amalgamations. It is important to note that, as of the reporting date, the financial statements do not yet reflect these developments.

44 Contingent liabilities

- a The Company has contingent liabilities in respect of legal claims arising in conducting its ordinary course of business. Management is of the opinion that these claims can be successfully defended thus possibility of an outflow of resources for their settlement is remote. This evaluation is consistent with legal advices of the years, no
- b Transport charges to transport from CCF stores to miscellaneous Agrarian Services Centers and outstation CCF stores for a total sum of Rs. 3,522,255.43 has not been claimed from the year 2009 up to 2013 for unforeseen reason. CCF Ltd believes that these transporters will not lodge their claim in future for the recovery of the said amount. Since they have not been lodged their claim so far or submitted their bills for the payment, CCF Ltd believe that this

45 Related Party Disclosures

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity'. The Company's related parties includes Government of Sri Lanka, State-Owned Enterprises, their 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 has been classified as Key Management Personnel.

Transactions with Key Management Personnel are given below.**30-06-2024**

Directors allowances	426,000
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Name of the Related Party	Nature of Transactions	
Government of Sri Lanka	Subsidies Received	76,440,000
State-Owned Enterprises	Sales of Goods	231,988,557
	Loans borrowed	-
	Settlements of Loans	(1,228,567,985)
	Investments In Fixed Deposits	
	Investment during the year	1,060,000,000
	Interest Received	90,699,628
	Current Accounts	130,323,110
Other Government Related Entities	Recoveries of Trade Receivables	-
46 Retirement Benefit Payment		
CRS amount Paid to employees		158,745,364
Gratuity Paid		34,044,510

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



COLOMBO COMMERCIAL FERTILIZERS LTD

3,060,888,059.92

TRIAL BALANCE AS AT 30TH JUNE 2024

	S.No	Debit	Credit
<u>Land</u>	1000	90,000,000.00	-
<u>Building</u>	1001	721,955,499.96	-
<u>Machinery, Plants & Lab Equipments</u>	1002	19,251,242.42	-
Motor Vehicles	<u>1003</u>	80,632,608.50	-
Office Equipments	<u>1004</u>	4,425,124.69	-
Furniture & Fittings	<u>1005</u>	10,060,805.20	-
Computers Accesories	<u>1006</u>	12,195,249.51	-
Air Conditioners	<u>1007</u>	3,731,250.20	-
Right of Use Assets	<u>1008</u>	-	-
Printers and Fax Machines	<u>1009</u>	3,106,375.00	-
Outward Transport WIP	<u>1011</u>	-	-
Server & Network	<u>1013</u>	1,463,469.98	-
Work stations	<u>1015</u>	-	-
Software (Web)	1016	325,425.00	-
Software	1100	3,340,760.00	-
Suspence A/C	1176	-	-
WHT Receivable	1183	3,502,203.09	-
Recoverable Claim	1187	2,248,949.39	-
Capital Work in Progress	1200	3,752,491.09	-
Fuel Consumption	1308	-	-
Deffered Tax Liability A/C	1310	-	219,554,155.18
Provision for Dividend A/C	1326	-	-
Medical Insurance Cover A/C	1327	-	440,026.73
Retirement Benefit Obligation A/C	1328	-	10,485,447.68
Medical Insurance Claim A/C	1329	-	77,446.42
Unclaimed Salary Wages A/C	1330	-	-
Other Creditors A/C	1335	-	2,009,625.48
Fertilizer Suppliers - Import	1336	-	15,186,100.28
Subsidy On Closing Stock A/C	1338	-	-
Subsidy On Closing Stock (Other Crops) A/C	1339	-	-
Provision for Impairment of Stationary	1347	-	-
Treasury Grant Income	1440	-	76,440,000.00
Compensation of Stock Losses A/C	1455	-	-
Componsations Claimed A/C	1456	-	-
Disposale of Fixed Assets A/C	1457	-	-
Value Added Tax	1705	-	-
General Insurance	1751	-	-
Stock Fertilizer	2000	1,532,798,547.02	-
Stock Packing Materials	2001	46,267,841.47	-
Stock General Stores Items	2002	9,016,451.12	-
Stok Stationary	2003	4,771,700.71	-
Stock NLDB Milk Bar	2004	-	-
Fertilizer Clearing WIP	2100	-	-
Loading H/O WIP	2101	-	-
Finance Cost WIP	2103	-	-
Unloading H/O WIP	2104	-	-
Fertilizer Transport Charges WIP	2105	-	-
Fertilizer Mixing Handling WIP	2106	-	-
RS Loading Charges WIP	2107	-	-
RS Unloading Charges WIP	2108	-	-
Marine Insurance WIP	2109	-	-
Sales Control	2200	280,127,569.29	-
Fertilizer Funds Control	2201	-	-
SSP Sales Control	2202	-	1,042,650.00
VAT Control	2250	-	-
Sundry Debtors	2300	-	-
Distress Loan Recievable A/C	<u>2301</u>	7,180,410.39	-
Festival Advance A/C	<u>2302</u>	225,750.00	-
Special Advance - Back Wages A/C	2303	65,000.00	-
Salary Advance A/C	2304	-	-
Staff Debtors A/C	2305	-	-
NLDB Milk Bar _ Staff Debtors A/C	2306	-	-
Staff Welfare Society - Loan A/C	2307	-	-
Receivable from Imports	2308	635,250.00	-



Ceylon Shipping Corporation Ltd	2311	-	3,212,018.86
Receivable from Compulsory Retirement Ben	2312	837,135.00	-
Payment In Advance	2400	-	0.08
Pre Payment	2401	1,460,771.44	-
Treasury Grant Receivable A/C	2402	9,398,472,188.92	-
Treasury Grant Receivable for Import of Org	2403	124,818,064.47	-
Short Delivery Claim A/C	2404	-	-
Income Recievable	2405	-	0.01
Refundable Deposit Paid A/C	2406	3,179,937.61	-
Security Deposits for Import of Fertilizer A/C	2407	-	-
Treasury Grant Receivable for Organic Supp	2408	-	-
Treasury Grant Receivable for ERP	2409	1,137,234.69	-
Treasury Grant Receivable for World Bank I	2410	-	-
Treasury Grant Receivable for Asian Develo	2411	-	-
Treasury Grant Receivable for USAID	2412	9,988,367.24	-
Treasury Grant Receivable for Indian Credit	2413	1,000,000.00	-
Treasury Grant Receivable for FAO- Japan	2414	-	-
VAT Input	2450	24,295,668.64	-
Treasury Investment A/C	2500	-	-
Fixed / Call Deposit A/C	2501	3,109,722,241.81	-
Treasury Investment Interest Receivable A/C	2502	-	-
Fixed Deposits Interest Recievable A/C	2503	137,410,636.58	-
Advance From Tea Board	2550	-	35,166,000.00
Regional Stores Contingency Fund A/C	2600	1,583,801.80	-
Post Master General A/C	2601	33,807.00	-
NLDB Milk Bar Imprest A/C	2602	20,357.50	-
Petty Cash A/C	2603	16,027.71	-
Peoples' Bank A/C No-222-1-001-6-097654	2700	44,701,753.22	-
Bank Of Ceylon A/C No. 135670	2701	80,680,058.45	-
Peoples' Bank Corporate Branch A/C NO-00	2702	3,229,285.72	-
Peoples' Bank Corporate Branch A/C NO-00	2703	1,712,012.51	-
Fund Transfer	2800	-	-
Funds Recievable A/C	2801	-	-
Fertilizer Loan Debtor	2802	-	-
Receivable for Sales of Fixed Assets	2803	-	-
Outward Transport Receivable	2804	-	-
Rent Receivable	2805	-	-
Receivable Handling Cost from ASC	2806	4,847,301.68	-
Prior Year Adjustment (Asset)	2900	-	-
Share Of Capital A/C	3001	-	100,000,000.00
Retained Earnings A/C	3002	-	3,054,907,970.44
Capital Reserve A/C	3003	-	1,683,684.59
Revenu Reserve A/C	3004	-	-
Reconstruction & Revalue Reserve A/C	3005	-	1,124,862,079.84
Long Term Loan A/C	4000	-	8,893,087,783.05
BOC Lessor	4001	-	-
Short term loan A/C	5000	-	32,438,029.90
Interest Payable A/C	5001	-	-
Long Term Loan Interest Control A/C	5100	2,528,587.80	-
Short Term Loan Interest Control A/C	5101	183,301,966.11	-
Salaries Control A/C	5102	-	8,390.67
Organic Fertilizer Suppliers Control A/C	5103	-	-
Provision for Impairment of Fixed Assets A/	5150	-	-
Provision for Impairment of Debtors A/C	5151	-	37,384,363.12
Accumilated Depreciation A/C	5152	-	38,894,986.71
NLDB Milk Bar _ Accumilated Depreciati	5153	-	-
Accumulated Depreciation of Intangible Ass	5154	-	3,371,965.67
Economic Service Charges Payable A/C	5200	-	-
Income Tax Payable A/C	5201	-	21,250,957.71
National Building Tax Payable A/C	5202	162,896.66	-
Notional Tax Payable A/C	5203	-	-
PAYE Tax Payable A/C	5204	-	90,745.63
Treasury Payable A/C	5205	-	1,332,367,014.91
With Holding Tax Payable A/C	5206	0.93	-
VAT Output	5207	-	-
Treasury Payable for ADB Fertilizer	5208	-	1,103,030,000.00
Rent Payable A/C	5300	-	-
Audit Fees Payable A/C	5301	-	1,040,000.00
Accrued Expenses A/C	5302	-	8,796,937.06

Stamp Fees Payable A/C	5402	-	13,700.00
Union Fees Payable A/C	5403	-	15,040.00
Welfare Society & Death Donation A/C	5404	-	40,679.81
Third Party Deduction A/C	5405	-	18,642.25
Welfare Payable	5406	-	200.00
Salary Withholding A/C	5407	-	294,832.28
Deposits Prior to Clearance A/C	5500	-	4,293,639.99
Employee Security Deposit A/C	5501	-	353,869.93
Refundable Deposit A/C	5502	-	210,000.00
Retention	5503	-	-
Customer Deposits & Over Received A/C	5504	-	23,194,728.92
Prior Year Adjustment (Liability)	5602	-	-
Fertilizer Suppliers (Local)	5603	-	14,054.79
Suppliers GSI	5604	-	-
Organic Fertilizer Suppliers	5605	-	-
ERP Fertilizer Suppliers	5606	-	-
Stationary Suppliers	5607	-	-
Packing Materials Suppliers	5608	-	-
Head Office - Subsidy Cash Sales	6000	-	1,770,000.00
Head Office - Subsidy Credit Sales	6001	-	-
Head Office - Other Crops Cash Sales	6002	-	230,218,556.78
Head Office - Other Crops Credit Sales	6003	-	-
Regional Stores - Subsidy Cash Sales	6100	-	-
Regional Stores - Subsidy Credit Sales	6101	-	-
Regional Stores -Other Crops Cash Sales	6102	-	-
Regional Stores - Other Crops Credit Sales	6103	-	-
NLDB Milk Bar Cash Sales	6200	-	-
NLDB Milk Bar Credit Sales	6201	-	-
Sales of Compost Bags	6202	-	-
Other Comprehensive Income A/C	6300	19,545,285.00	-
Fixed Deposit Interest Received A/C	6400	-	87,561,614.66
Treasury Investment Interest Received A/C	6401	-	3,138,013.69
Distress Loan Interest Received A/C	6402	-	142,006.02
Registration of Suppliers	6500	-	290,000.00
Sale of Fixed Assets	6501	37,956.13	-
Sale of Disposable Items A/C	6502	-	1,600.00
Other Income A/C	6503	-	25,427.00
Dispatch money Received A/C	6504	-	-
Rent Income A/C	6505	-	9,600.00
Exchange Profit A/C	6506	-	-
Commission from Eco Suppliers	6507	-	-
Import of Fertilizer A/C	7000	-	-
Local Purchase A/C	7001	-	-
Consumable Expenditure	7002	-	-
Packing Materials A/C	7100	-	-
NLDB Milk Bar Purchases	7101	-	-
General Stores Items	7102	42,964.20	-
Printing & stationery	7103	24,927.96	-
Fertilizer Clearing & Transport charges A/C	7200	687,700.00	-
Transport Charges (Outward)	7201	1,434,985.25	-
Fertilizer Loading H/O	7202	467,419.80	-
Fertilizer Unloading_HO	7203	667,816.50	-
Fertilizer Loading _ RS	7204	-	-
Fertilizer Unloading _ RS	7205	-	-
Fertilizer Mixing and Handling	7206	1,636,395.00	-
LC Opening Finance cost	7207	-	-
Marine Insurance A/C	7208	-	-
Fertilizer Testing Charges	7209	188,740.60	-
Stock Losses	7210	-	-
NLDB Milk Bar Stock Losses A/C	7211	-	-
Written off Stock of Fertilizer Found Lost / I	7212	-	-
Cost of Sales	7213	224,136,826.77	-
Discount A/C	7300	-	-
Over Riding Commision A/C	7301	-	-
Rent for Stores A/C	7302	-	-
Sales Promotions & Advertising A/C	7303	690,080.00	-
Salaries & Wages - Head Office A/C	7400	9,050,952.01	-
Salaries & Wages - Works Division A/C	7401	6,882,296.33	-
Contract Workers Salaries & Wages A/C	7402	3,392,412.59	-



ETF - Head Office	7405	271,528.56	-
ETF - Works Division	7406	206,468.89	-
Over Time -Head Office	7407	884,962.71	-
Over Time - Works Division	7408	1,297,991.37	-
Allowance -Head Office	7409	1,494,757.04	-
Allowance - Works Division	7410	783,660.86	-
Leave & Encashment - Head Office A/C	7411	177,632.37	-
Leave & Encashment - Works Division A/C	7412	98,636.43	-
Incentive & Coins -Head Office A/C	7413	28,471.76	-
Incentive & Coins - Works Division A/C	7414	35,532.92	-
Meal money /Combine Allowance -Head Of	7415	115,725.00	-
Meal money /Combine Allowance -Works I	7416	44,100.00	-
Retirement Benefit	7417	854,644.00	-
Incentive Payment - Head Office	7418	9,185.00	-
Incentive Payment - Works Division	7419	262.50	-
Bonus Payment - Head Office	7420	-	-
Bonus Payment - Works Division	7421	-	-
Residential Telephone charges	7422	-	-
Compulsory Retirement Benefits	7423	-	-
Staff Welfare A/C	7423	683,486.38	-
Staff Welfare -Head Office A/C	7424	128,090.00	-
Staff Welfare - Works Division A/C	7425	11,080.00	-
Tea Bill	7426	3,900.00	-
Compulsory Retirement Benefits	7427	158,745,363.63	-
Bussiness Turnover Tax	7500	-	-
Differred Tax A/C	7501	-	-
Economic Service Charges A/C	7502	-	-
Income Tax	7503	32,214,866.52	-
National Building Tax A/C	7504	-	-
Notional Tax A/C	7505	-	-
Semi Luxury Vehicle Tax A/C	7506	-	-
Withholding Tax A/C	7507	-	-
Rates & Taxes	7508	13,895.61	-
Value Added Tax A/C	7509	-	-
Deemed Dividend Tax	7511	-	-
Dividend A/C	7512	-	-
Audit Fees	7513	-	-
Building Maintenance	7600	-	-
Motor Vehicles Maintenance	7601	1,445,648.98	-
Vehicles Insurance	7602	634,751.56	-
Office Equipment Maintenance	7603	71,691.74	-
Computers, Printers and Fax Machines Main	7604	84,336.25	-
Web Site & Server Maintenance	7605	226,035.61	-
Machinery Maintenance	7607	153,411.51	-
Air Conditioners Maintenance	7608	4,661.01	-
Electricity charges	7700	1,000,758.56	-
Water bill	7701	47,288.52	-
Telephone charges	7702	188,078.84	-
Postage & telegram	7703	70,876.15	-
Staff Travelling Expenditure	7800	39,642.96	-
Directors' Travelling Allowance	7801	75,000.00	-
Audit & Management Committee Travelling	7802	25,000.00	-
Technical Evaluation Committee Travelling	7803	114,000.00	-
Directors' Allowance	7804	426,000.00	-
Audit & Management Committee Allowance	7805	42,500.00	-
Technical Evaluation Committee Allowance	7806	270,000.00	-
Head Office Expenditure	7900	-	-
Regional Stores Expenditure	7901	9,000.00	-
NLDB Milk Bar Expenditure	7902	-	-
Hambanthota New Warehouse Exp	7903	82,908.00	-
Security charges	7904	1,002,718.00	-
Legal charges	7905	30,316.50	-
Professional charges	7906	1,143,293.75	-
Other Administrative Expences	7907	58,420.00	-
Refreshment on Official Meetings	7908	195,671.44	-
Fuel charges	7909	2,476,613.71	-
Vehicle Rent	7910	-	-
Other Expenses	7911	79,479.00	-
Vehicle License Fees	7912	42,380.00	-

Subsistence	7915	339,865.00	-
Staff Training Expenses A/C	7916	-	-
Home Garden	7917	-	-
Accommodate Expenses For Out Visit	7918	103,140.00	-
Depriciation A/C	8000	10,065,927.46	-
NLDB Milk Bar _ Depriciation	8001	-	-
Impairment of Debtors	8002	-	-
Impairment of Assests A/C	8003	-	-
Depreciation of Intangible Assets	8004	351,122.00	-
Bank charges	8100	33,801.96	-
Penalty Charges	8101	-	-
Bank Commission Charges	8102	-	-
Interest On Overdraft	8103	2,315,871.81	-
Interest on Non Payment of Bill	8104	-	-
Exchange Loss A/C	8105	-	-
Interest for Lease	8106	19,623.60	-
Donation	8200	-	-
Stock of Fertilizer Donated A/C	8201	-	-
Consumable Assets Transport	8300	-	-
Total		16,469,352,900.93	16,469,352,900.92

