



# වාර්ෂික වාර්තාව வருடாந்த அறிக்கை **ANNUAL REPORT**

## 2011-2012



### **Our Vision**

To be the “**Best in Class**” nutritious food and beverage company in Sri Lanka.

### **Our Mission**

To make our country self sufficient in fresh milk offer a variety of nutritious food products to all segments of the society and for all age group from weaning food.

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Name of the Company	- Milco (Pvt) Ltd																		
Legal Status	- A Private Limited Liability Company incorporated in Sri Lanka under the provisions of the Companies Act 1982																		
Registered Office	- No. 45, Nawala Road, Narahenpita, Colombo 05. - Tel: 0112586174, 0112582331-4, 0112586872 - Fax: 0112368082 / 0115333328 / 0112 590 334 - Website: <a href="http://www.milco.lk">www.milco.lk</a> - E-mail: <a href="mailto:info@milco.lk">info@milco.lk</a>																		
Factories	- Colombo Milk Factory (CMF) - Ambewala Spray Dried Milk Factory (SDMF) - Digana Milk Factory (DMF) - Polonnaruwa Condensed Milk Factory (PMF)																		
Date of Incorporation	- 09 <sup>th</sup> May 1996																		
Date of Re-registration	- 19 <sup>th</sup> May 2008																		
Company Registration Number	- N (PVS) 17159 (OLD) - PV 2942 (New)																		
Company Secretary	- Financial Services & Commercial Agencies No 28, Rosmead Place, Colombo 07.																		
Director	<table> <tr> <td>- Mr.Sunil Wickremasinghe</td><td>- Chairman</td></tr> <tr> <td>Mr.Sanjaya Leelarathne</td><td>- Deputy Chairman</td></tr> <tr> <td>Mr.Naushard Junaideen</td><td>- Working Director</td></tr> <tr> <td>Mr.R.Sivaram</td><td>- Director</td></tr> <tr> <td>Mr.S.Loganathan</td><td>- Director</td></tr> <tr> <td>Mr.Ajith Dissanayake</td><td>- Director</td></tr> <tr> <td>Mr.Thilanka Weerasinghe</td><td>- Director</td></tr> <tr> <td>Mrs.Dashika Edwards</td><td>- Director</td></tr> <tr> <td>Mr.W.G.R.H.Panditharathne</td><td>- Director</td></tr> </table>	- Mr.Sunil Wickremasinghe	- Chairman	Mr.Sanjaya Leelarathne	- Deputy Chairman	Mr.Naushard Junaideen	- Working Director	Mr.R.Sivaram	- Director	Mr.S.Loganathan	- Director	Mr.Ajith Dissanayake	- Director	Mr.Thilanka Weerasinghe	- Director	Mrs.Dashika Edwards	- Director	Mr.W.G.R.H.Panditharathne	- Director
- Mr.Sunil Wickremasinghe	- Chairman																		
Mr.Sanjaya Leelarathne	- Deputy Chairman																		
Mr.Naushard Junaideen	- Working Director																		
Mr.R.Sivaram	- Director																		
Mr.S.Loganathan	- Director																		
Mr.Ajith Dissanayake	- Director																		
Mr.Thilanka Weerasinghe	- Director																		
Mrs.Dashika Edwards	- Director																		
Mr.W.G.R.H.Panditharathne	- Director																		
Auditors	<p>- Internal M/ S SJMS Associates, No. 02. Castle Lane, Colombo 04.</p> <p>- External M/S BDO Partners, No:65/2, Sir Chithampalam A Gadinar Mawatha, Colombo 02.</p>																		
Bankers	- Peoples Bank - Bank of Ceylon																		

It gives me great pleasure to present a review of the company's performance for the year ended 31<sup>st</sup> March 2012.

It was a very difficult year to maintain the continuous favorable financial performance for MILCO. A constructive and a far thinking decision taken to increase the price paid to farmers for fresh milk and the great efforts made by the MILCO team, resulted in an un-precedent fresh milk growth in the country.

A significant decision was taken by Milco being a valuable corporate citizen in the country, on the advice of the ministry to maintain the product selling prices for several months in spite of the 57 % increased price paid to the farmer for fresh milk supplies. The cost of production further escalated with the midyear fuel price increase that was experienced.

The factors that contributed for the increase in the cost of goods sold resulted in a substantial loss of Rs. 226 Mn for the year under reference.

However, the company's turnover during the year under review had a growth of 16% over the previous year. A total turnover of Rs. 5.263 Bn was achieved as compared with Rs. 4.548 Bn for 2010/2011.

### **Dairy development and milk collection**

It was a tremendous year for dairy development activities. It was a "Milky White" revolution in the country. The price paid to the farmer for fresh milk was increased up to Rs. 50/= per litre on total solids. It was no less than the international market price thus commercializing the industry. The fresh milk supply growth was 32 % and the peak season reached the figure of 230,000 litres per day making our factories overflow.

It is pleasing to note that Milco paid a sum of Rs. 3.47 Billion to the dairy farmers in the country thus elevating the economic levels of the rural and the plantation community.

### **Milk Collection**

Year	Lts Mn	Growth
2007	54	
2008	53.5	- 0.95 %
2009	54.9	2.47 %
2010	55.5	1.19 %
2011	52.8	-5 %
2012	68.5	30 %

### **Fresh Milk Quality**

There was no compromise on quality.

All efforts were taken to preserve the quality of fresh milk delivered by the farmers. There had been a marked improvement in the quality of fresh milk delivered at MILCO factories. The Milco dairy development field staff played a key role in this exercise.

### **Sales & Marketing**

Milco has 101 distributors spread in the country to distribute the finished products. The sales force consists 28 Sales Representatives, 10 Area managers and 6 Administrative Staff. In addition the Company has 11 Sales Centres with 55 Staff members. The country is demarcated in to 10 regions for this purpose. Product renovation and innovation is in progress. Our main focus was to increase the distribution throughout the country by appointing new distributors to ensure MILCO products are available for all consumers to purchase at all retail outlets. In this direction we foresee to increase the retail channel up to 50,000 outlets and increase the number of distribution vehicles up to 400 with a total of 140 distributors.

## **Milco Staff**

The company employs a total of 1470 staff members of all staff categories. To improve the employee efficiency through the welfare activities, many progressive steps were taken during this year. Increased the Health Insurance from Rs. 50,000/- to Rs. 125,000/- for hospital stay, payment up to Rs. 625,000/- for overseas treatment and payment up to Rs. 500,000/- for 25 critical illnesses which was not afforded earlier and increased the Cost of Living Allowance by Rs. 15,000/- for all employees.

## **The Way Forward**

MILCO is committed to offer nutritious food for the people of Sri Lanka. The present factory machinery is over 50 years old and a commercial agreement has been signed with DESMI Contracting Agency to modernize 3 factories at Ambewela, Digana and polonnaruwa. The cost will be € 33.8 million. The modernized factories will have the capacity increased up to 700,000 litres per day from 320,000 litres per day. Colombo Factory will be shifted to Badalgama NLDB Farm land and a new factory at Badalgama will commence with a capacity of 200,000 liters per day. MILCO will have the opportunity to produce new varieties of nutritious food products with the establishment of the new factory.

## **General**

The new product development division has made great improvement to innovate new products with brand extension especially for liquid milk. It is very imperative with foreseen modernization work to be commenced, that initiatives are in place to enhance the distribution network of the finished products.

It is also important to recruit the new staff for brand development and marketing efforts to popularize “Highland” brand among our valued consumers.

In the direction of fresh milk growth, the company had a significant growth of 30 % over the previous year to ensure on the path to make our country self sufficient in fresh milk. The Ministry of Livestock & Rural Community Development has embarked upon many initiatives to increase the production of fresh milk in the country. The import of high breed animals to boost the local production and genetic improvement in the indigenous herd has taken place.

Finally, I thank on behalf of the MILCO Board of Directors, the Honorable Minister & the Honorable Deputy Minister, Secretary of the Ministry and all ministry staff who supported us in great detail and the Milco staff of all categories and every individual who had a part to play in the development of MILCO and the Milk Industry in particular.



**SUNIL WICKRAMASINGHE**

Chairman  
Milco (Pvt.) Ltd

31<sup>st</sup> January 2013

## REPORT OF THE DIRECTORS

The Directors of Milco (Pvt) Ltd have pleasure in presenting their report and the audited financial statement for the year ended 31<sup>st</sup> March 2012.

## PRINCIPAL ACTIVITY

The principal activities of the Company during the year were collecting fresh milk, processing, packing, distributing and marketing milk products.

## REVIEW OF BUSINESS

The Review of the Chairman, which form an integral part of the report contain a detailed description of the operations of the company during the year ended 31.03.2012 and contains a fair review of the company's affairs.

## PROPERTY PLANT AND EQUIPMENT

Details of additions made during the year to the property, plant & Equipment of the company is Rs.422.1 mn and depreciation charges are as shown.

## BOARD OF DIRECTORS

The following Board of Directors were appointed by the Secretary to the Treasury after formulating of new Ministry of Livestock and Rural Community Development with effect from 13<sup>th</sup> May 2010.

Mr. Sunil Chandra Sillapana **WICRAMASINGHE – Chairman**

Mr. Kankanamge Sanjaya **LEELARATHNE – Deputy Chairman**

Mr. Mohammed Naushard **JUNAIDEEN – Working Director**

Mr. Raju **SIVARAMAN – Director - M.Sc (Arch) FIA (Sri Lanka)**

Mr. Selvadurai **LOGANATHAN – Director - FCMA (UK) FSCMA (Sri Lanka)**

Mr. Ajith **DISSANAYAKE – Director – (Ph.D)**

Mr. Thilanka **WEERASINGHE – Director Attorney at Law, Notary Public, Commissioner for Oaths**

Mr. Arinesarajah **SHAKTHEVALE – Director - Post Graduation Diploma Agri: Econ (UK) Bachelors Degree (Vet) Peradeniya**

Mr. Rathnathilake **LEKAMGE - Director**

From the above Board the following two Directors resigned with effect as follows.

Mr. Arinesarajah **SHAKTHEVALE** resigned w.e.f. 21.12.2010.

Mr. Rathnathilake **LEKAMGE** resigned w.e.f. 21.12.2010.

The following two new Directors were appointed to the Board to replace the above out going two Directors as follows

Mr. Danuka **DICKWELLA** was appointed w.e.f. 21. 12. 2010

Mrs. Dashika **EDWARDS** was appointed w.e.f. 12 .01. 2011 – **Degree (English)**

From the above Board appointed following Director resigned as follows.

Mr. Danuka **DICKWELLA** resigned w.e.f. 26. 04. 2011

The following new Director was appointed to the Board to replace out going above Director as follows

Mr.W.G.R.H.Panditharathne was appointed w.e.f. 26.04.2011

## SHARE INFORMATION

The stated capital of the company in number & value throughout the year under review was Rs. 319.4 million.



## RESERVES

Cumulative profit brought forward of Rs.1,191,278,978 adjusted for the current year's net loss Rs. 226,438,585 after tax given in page 3 of accounts.

Reserves include Capital Reserve of Rs.25,000,000 and sinking fund of Rs.1,689,978 at the year end, the purpose of the fund and details are given in notes 17.1 & 18 of the accounts.

## DIRECTORS' INTEREST IN CONTRACTS

The Directors of the company were not directly or indirectly involved in any contracts with the company as expressed and given under Note 27.3 of the accounts.

## CORPORATE GOVERNANCE

The Board of Directors ensures Good Corporate Governance. It is the duty of the Board of Directors to ensure that the performance is in line with the Company objectives as well as the objectives and expectations of the stakeholders.

## TAXATION

The income tax liability arising from interest income is given under Note No 23 to the accounts. Profits on operating activities are exempted under the Sec. 16 of the Inland Revenue Act No. 10 of 2006.

## STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government and to Employees Provident Fund and Employees Trust Fund have been paid accurately and on time.

## COMPLIANCE

The Company has not engaged in activities that contravene the laws or regulations that are applicable to Sri Lanka or elsewhere.

## EVENTS AFTER THE BALANCE SHEET DATE

## GOING CONCERN

**The Board of Directors is satisfied that the company has adequate resources to continue its operation in the foreseeable future. In view of this, we continue to apply the going concern concept in preparing the accounts of the company.**

## APPOINTMENT OF AUDITORS

M/S BDO Partners, Chartered Accountants have been nominated by the Auditor General and appointed by the Director General of Department of Public Enterprises at the General Treasury as auditors to audit the accounts of the company for the year ended 31.03.2012 and the formal appointment of the auditors was done at the Annual General Meeting of the Shareholders.

As far as the Directors are aware, the Auditors do not have any relationship with the Company nor its subsidiaries that would have an impact on their independence.

## BY ORDER OF THE BOARD

Sgd/.

**Financial Services and Commercial Agencies (Private) Limited.,  
(Sec/555/91)  
No. 28, Rosmead Place,  
Colombo 7.**

Periodical Board Meetings have been held by the Board of Directors on a once a month basis during the year under review. Corporate plan and the annual budget have been key instruments in ensuring and maintaining financial control and these have been prepared in consultations with all line managers at the commencement of the financial year and approved by the Board.

Monthly performance report compared with the previous month and the budget has been tabled regularly at the subsequent monthly meetings. This report provides timely information on financial and operational performance with targets and enables the Board of Directors to make effective management decisions in terms of profit and loss of the company.

## **AUDIT COMMITTEE**

Audit committee should be chaired by the Director who represents the treasury, Since there is no representative of the Treasury reference the Board of Directors of MILCO (Pvt) Ltd, the Committee functioned with three non executive directors, one of them acting as the Chairman of the committee, which operates as a sub-committee of the Board, and served by the internal audit, which has been outsourced to ensure greater sense of independence.

M/s SJMS Associates functioned as Internal Auditors during the year. It has branch offices operating with resident officials in the factories of Colombo, Ambewela, Digana, in addition to the Head office.

An Audit plan prepared by the internal auditors is submitted for approval of the audit committee at the beginning of the year and internal audit checks and tests are carried out through out the year in accordance with this plan. Detailed reports on the audit findings are discussed initially with the respective managers and departmental heads for their comments and responses. Based on those comments a summary report is prepared and submitted for the audit committee review and follow up action. Audit committee meets once a month.

## **CORPORATE MANAGEMENT**

The Board of Directors ensures that the company maintains proper accounting records to represent, with reasonable accuracy the financial position of the company to the shareholders. They also ensure that financial statements are prepared and presented in compliance with the Sri Lanka Accounting standards and the requirements of the Companies act.

The Audit Committee normally should comprise three non-executive Directors of whom one member necessarily has to be the representative of the Treasury, who also functions as Chairman of the Committee. Since there is no representative of the Treasury in the present Board of Directors of MILCO (Pvt) Ltd, the Committee functioned with two Directors, the undersigned acting as the Chairman of the Committee.

During the period under review regular meetings were held. The Financial Controller, the two Asst. Managers (Finance) and the Manager Internal Audit attended all the meetings by invitation. The heads of the factories and sectional heads of the Company were also invited to attend the meetings.

The Committee, at the meetings held during the year, reviewed in detail the internal audit queries and the monthly Internal Audit Reports, examined the clarifications and explanations given by the heads of the factories and the other functional heads on the matters highlighted in the Internal Audit Reports and advised the Officers concerned to ensure that the shortcomings and errors pointed out and highlighted in the Internal Audit Report are rectified and not repeated in the future. The Committee also advised the staff concerned to expedite sending replies for the Internal Audit queries.

The Committee after studying the Internal Audit Reports and discussing with the Internal Audit staff made recommendations to update the Internal Control Systems of the Company.

The Committee also reviewed and monitored the Management Report forwarded by the External Auditors and advised the Chairman, Deputy Chairman and the Working Director to examine every aspect of the Management report in detail and take appropriate action on these matters with the view to improve the state of affairs of the Company.

A handwritten signature in black ink, appearing to read "S. Loganathan".

**S. LOGANATHAN**  
ACTING CHAIRMAN – AUDIT COMMITTEE  
**MILCO (PVT) LTD.**



# THE BOARD OF DIRECTORS OF MILCO (PVT) LTD.



*Left to Right -*

Mr. W.G.R.H. Panditharathne - Director, Mr. Ajith Dissanayake - Director (Ph.D),  
Mr. Thilanka Weerasinghe - Director Attorney at Law, Notary Public, Commissioner for Oaths  
Mr. K. Sanjaya Leelarathne - Deputy Chairman, Mr. Sunil Wickramasinghe - Chairman, Mr. M. Naushard Junaideen - Working Director,  
Mr. Selvadurai Loganathan - Director FCMA(UK), FSCMA (Sri Lanka), Mrs. Dashika Edwards - Director Degree (English)  
Mr. Raju Sivaraman - Director M.Sc. (Arch) FIA (Sri Lanka) - *Absent*



## Report on the Financial Statements

We have audited the accompanying financial statements of Milco (Private) Limited which comprise the balance sheet as at 31<sup>st</sup> March, 2012, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 05 to 25.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in the paragraphs (a), (e) and (f), we conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Except as discussed in the paragraphs (a), (e) and (f), we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our qualified opinion.

## Opinion

### (a) Property, Plant and Equipment

We have not received proper documentary and other corroborative evidences to verify the bottle and crates amounting to Rs.213,454,027/- brought forward from the previous year and which are corresponding to the long outstanding deposit liability amounting to Rs.35,335,028/- as at the balance sheet date. Owing to the nature of the company records and performing other audit procedures, we were unable to satisfy ourselves as to the valuation and the existence of such assets and corresponding liability as at the balance sheet date.

### (b) Inventory

#### Finished goods/Raw Material and Consumables

Finished goods, Raw material and Consumables amounting to Rs.125, 391,410/-, 145,632,097/- and Rs.203, 408,433/- respectively were not valued in accordance with the Sri Lanka Accounting Standards. Owing to the nature of the records of the company, we were unable to determine the effect of such adjustment over the inventory.

### (c) Trade and Other Receivables

Adequate provision has not been made for any bad and doubtful debts in respect of long outstanding prepayments amounting to RS.23, 757,824/- though recoverability is doubtful.

Owing to the nature of the company records and by performing other audit procedures, we were unable to satisfy ourselves as to the valuation and the existence of such receivable balances as at the balance sheet date.

### (d) Deferred Tax Asset/Liability

Adequate provision has not been made in respect of deferred tax asset/liability as at the balance sheet date in accordance with the Sri Lanka Accounting Standard.

**(e) Interest Bearing Loans and Borrowings / Non-Interest Bearing Loans and Borrowings**

We have not received satisfactory evidence such as direct confirmations, in order to verify independently the existence and the accuracy of the balance payable to Ministry of Agriculture & Live Stock Development amounting to Rs.83, 590,654/-.

Owing to the nature of the company's records and by performing other audit procedures, we were unable to satisfy ourselves as to the completeness and the existence of such payable as at the balance sheet date.

**(f) Trade and Other Payable**

We have not received satisfactory evidence such as direct confirmations, in order to verify independently the existence and the accuracy of the balance payable to the Department of Animal Production and Health amounting to Rs.20,446,164/-.

Owing to the nature of the company's records and by performing other audit procedures, we were unable to satisfy ourselves as to the completeness and the existence of such liability as at the balance sheet date.

In our opinion, so far appears from our examination except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as matters referred in paragraphs (a), (e) and (f) and except for the effect on the financial statements of the matters referred to in the paragraphs (b), (c) and (d) the Company maintained proper accounting records for the year ended 31<sup>st</sup> March, 2012 and the financial statements give a true and fair view of the Company's state of affairs as at 31<sup>st</sup> March, 2012 and its loss and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

**Emphasis of Matter**

Without further qualifying our opinion we draw attention to Notes 13.5 and 22 to the financial statements.

**Report on Other Legal and Regulatory Requirements**

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.

*BDO Partners*

**CHARTERED ACCOUNTANTS**

**Colombo**

**28<sup>th</sup> November, 2012**

SSR/cc

# INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012



	Notes	2011/2012 Rs.	2010/2011 Rs.
Revenue	3	5,263,152,211	4,548,974,053
Cost of Sales		(5,013,827,195)	(4,012,024,624)
<b>Gross Profit</b>		<b>249,325,016</b>	<b>536,949,429</b>
Other Income	4	167,245,922	100,440,617
		<b>416,570,938</b>	<b>637,390,046</b>
Administrative Expenses		(500,006,174)	(413,113,697)
Distribution Expenses		(73,073,775)	(66,130,740)
Other Expenses		(23,205,858)	(31,977,865)
Finance Costs	5	(35,805,724)	(15,504,264)
		<b>(632,091,530)</b>	<b>(526,726,566)</b>
(Loss)/Profit Before Taxation	6	(215,520,592)	110,663,480
Income Tax Expense	7	(10,917,993)	(27,471,930)
<b>(Loss)/Profit for the Year</b>		<b>(226,438,585)</b>	<b>83,191,550</b>
Basic (Loss)/Earnings Per Share	8	(7.09)	2.60

Figures in brackets indicate deductions

The accounting policies and notes on pages 5 to 25 form an integral part of these Financial Statements.

28th November, 2012  
Colombo

# BALANCE SHEET AS AT 31ST MARCH 2012

	Notes	As at 2011/2012 Rs.	As at 2010/2011 Rs.
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	09	831,623,199	532,747,937
Capital Work-In-Progress	10	497,637,177	19,366,961
Long term investment	14	839,160,352	-
		<u>2,168,420,728</u>	<u>552,114,898</u>
<b>Current Assets</b>			
Livestock	11	305,900	1,431,645
Inventories	12	483,296,739	347,851,960
Trade and Other Receivables	13	1,123,463,869	895,480,728
Short term Investment	14	175,100,000	930,623,649
Cash and Cash Equivalents	15	33,007,766	394,346,782
		<u>1,815,174,273</u>	<u>2,569,734,764</u>
<b>Total Assets</b>		<u>3,983,595,001</u>	<u>3,121,849,662</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Stated Capital and Reserves</b>			
Stated Capital	16	319,454,060	319,454,060
Capital Reserve	17	25,000,000	25,000,000
Revaluation Reserve		336,454,462	336,454,462
Sinking Fund	18	1,689,978	1,689,978
Retained Earnings		964,840,393	1,191,278,978
<b>Shareholders' Fund</b>		<u>1,647,438,893</u>	<u>1,873,877,478</u>
<b>Non-Current Liabilities</b>			
Non-interest Bearing Borrowings	19	85,698,717	85,698,717
Interest Bearing Borrowings - Long Term	19	642,228,098	-
Retirement Benefit Obligations - Gratuity	20	338,682,103	201,703,631
Deferred Income - Government Grant	21	15,497,684	20,757,825
		<u>1,082,106,602</u>	<u>308,160,173</u>
<b>Current Liabilities</b>			
Trade and Other Payables	22	862,317,139	823,121,208
Income Tax Payable	23	19,455,329	27,758,202
Interest Bearing Borrowings - Short Term	19	86,668,946	423,240
Bank Overdrafts	24	285,608,091	88,509,361
		<u>1,254,049,506</u>	<u>939,812,011</u>
<b>Total Equity and Liabilities</b>		<u>3,983,595,001</u>	<u>3,121,849,662</u>

Figures in brackets indicate deductions

Commitments and Contingencies

25 & 26

The accounting policies and notes on pages 5 to 25 form an integral part of these Financial Statements.

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.




**Mr. C. Madugalle**  
Finance Controller

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and Signed for and on behalf of the Board



**Mr. S.C.S. Wickramasinghe**  
Chairman



**Mr. S. Loganathen**  
Director

28th November, 2012  
Colombo  
SSR/cc



# STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2012



	Stated Capital Rs.	Capital Reserve Rs.	Revaluation Reserve Rs.	Sinking Fund Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31.03.2010	319,454,060	25,000,000	336,454,462	1,689,978	1,108,087,428	1,790,685,928
Net Profit for the Year	-	-	-	-	83,191,550	83,191,550
Balance as at 31.03.2011	319,454,060	25,000,000	336,454,462	1,689,978	1,191,278,978	1,873,877,478
Net Loss for the Year	-	-	-	-	(226,438,585)	(226,438,585)
Balance as at 31.03.2012	319,454,060	25,000,000	336,454,462	1,689,978	964,840,393	1,647,438,893

Figures in brackets indicate deductions

The accounting policies and notes on pages 5 to 25 form an integral part of these Financial Statements.

Colombo

28th November, 2012

# CASH FLOW STATEMENT AS AT 31ST MARCH 2012

	2011/2012 Rs.	2010/2011 Rs.
<b>Cash Flow from Operating Activities</b>		
Net (Loss)/Profit Before Taxation	(215,520,592)	110,663,480
Adjustments for ;		
- Depreciation on Property, Plant and Equipment	123,306,838	158,638,553
- Income from Investment	(83,767,183)	(88,453,539)
- Interest Expense	29,484,038	964,195
- Recognized Income on Deferred Grants	(400,600)	(9,669,546)
- Stock Write off	-	260,681
- Loss and fair value adjustment on livestock	15,835	
- Unrealized Exchange Gain	(75,077,781)	15,171,011
- Provision for Bad and Doubtful Debts	1,164,172	
- Provision for Defined Benefit Plans - Gratuity	140,373,568	85,457,151
	<u>135,098,887</u>	<u>162,368,505</u>
<b>Operating Profit before Working Capital Changes</b>	<u>(80,421,704)</u>	<u>273,031,985</u>
(Increase)/Decrease in Inventories	(135,444,779)	179,093,535
(Increase)/Decrease in Trade and Other Receivables	(199,163,892)	(108,902,258)
Increase/(Decrease) in Trade and Other Payables	39,195,931	13,745,411
	<u>(295,412,739)</u>	<u>83,936,688</u>
<b>Cash Generated from Operations</b>	<u>(375,834,444)</u>	<u>356,968,674</u>
Interest Paid	(29,478,528)	-
Tax Paid	(22,712,603)	(42,533,303)
Payment of Defined Benefit Plans - Gratuity	(3,395,096)	(8,851,220)
	<u>(55,586,227)</u>	<u>(51,384,523)</u>
<b>Net Cash Flow From/(Used In) Operating Activities</b>	<u>(431,420,671)</u>	<u>305,584,151</u>
<b>Cash Flow from Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(35,228,612)	(112,835,181)
Investments in Property, Plant and Equipment in the Course of Construction	(761,477,220)	(26,831,253)
Proceeds from disposal of livestock	1,109,910	-
Interest Received	44,321,466	85,078,392
Withdrawal/(New) Short term & Long Term Investment	(8,558,922)	(223,197,127)
<b>Net Cash From/(Used In) Investing Activities</b>	<u>(759,833,378)</u>	<u>(277,785,169)</u>
<b>Cash Flow from Financing Activities</b>		
Government Grant Received	8,094,492	7,860,285
Lease rental paid	(428,749)	
Proceeds from Loans and Borrowings - ( Net of Repayments )	625,150,559	-5,144,988
<b>Net Cash From/(Used In) Financing Activities</b>	<u>632,816,302</u>	<u>2,715,297</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>(558,437,747)</u>	<u>30,514,279</u>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<u>305,837,421</u>	<u>281,793,973</u>
<b>Cash and Cash Equivalents at the End of the Year</b>	<u>(252,600,325)</u>	<u>305,837,421</u>
<b>At the Beginning of the year</b>		<b>Note A</b>
Balances at Banks	393,001,398	367,468,275
Petty Cash in Hand	1,345,384	556,670
	<u>394,346,782</u>	<u>368,024,945</u>
Bank Overdrafts	(88,509,361)	(86,230,973)
	<u>305,837,421</u>	<u>281,793,972</u>
<b>At the End of the year</b>		<b>Note B</b>
Balances at Banks	29,892,575	393,001,398
Petty Cash in Hand	3,115,191	1,345,384
	<u>33,007,766</u>	<u>394,346,782</u>
Bank Overdrafts	(285,608,091)	(88,509,361)
	<u>(252,600,325)</u>	<u>305,837,421</u>

Figures in brackets indicate deductions

The accounting policies and notes on pages 5 to 25 form an integral part of these Financial Statements.

28th November, 2012  
Colombo

## 1. CORPORATE INFORMATION

### 1.1 GENERAL

Milco (Private) Limited is a limited liability company incorporated and domiciled in Sri Lanka.

The company was incorporated on 9th May, 1996 under the name 'Kiriya Milk Industries of Lanka (Private) Limited'. The name of the company was changed as 'Milco (Private) Limited' with effect from 23rd July 2001. As per the agreement entered into between the Government of Sri Lanka (GOSL) and the National Dairy Development Board of India (NDDB), all property, plant and equipment (other than land) owned and used by Milk Industries of Lanka Company Limited as at 3rd February, 1998 and leasehold rights of the land & buildings used by Milk Industries of Lanka (Private) Company Limited as at the same date were transferred to the Company with effect from 4th February, 1998. The value of Net Assets so transferred was Rs.306, 500,020/-. Further, as per the letter dated 8th August, 2000 from Public Enterprises Reform Commission of Sri Lanka, annual lease rentals of leasehold land & buildings amounting to Rs.20,427,900/- was waived off as per a cabinet decision for the Joint Venture. Although the Joint Venture Agreement is no longer in force, the company has not made appropriate adjustments in the accounts in respect of the said government land & buildings.

The Registered Office of the Company is located at No. 45, Nawala Road, Colombo 05 and the principal place of business is also at the same place. Major factories of the company are situated at Narahenpita, Ambewela, Digana and Polonnaruwa.

### 1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

During the year, the principal activities of the Company were collecting, processing, packing, distributing and dealing in milk products.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 GENERAL ACCOUNTING POLICIES

#### 2.1.1 Basis of Preparation

These financial statements presented in Sri Lanka Rupees have been prepared on an accrual basis under the historical cost convention basis in accordance with generally accepted accounting principles and the standards laid down by The Institute of Chartered Accountants of Sri Lanka.

#### 2.1.2 Statement of Compliance

The Balance Sheet, Statement of Income, Changes in Equity and Cash Flows, together with Accounting Policies and Notes ("Financial Statements") of the company and as at 31st March, 2012 and for the year then ended have been prepared in compliance with the Sri Lanka Accounting Standards (SLAS) issued by The Institute of Chartered Accountants of Sri Lanka and the requirement of the Companies Act No. 7 of 2007.

#### 2.1.3 Comparative Information

The accounting policies have been consistently applied by the company and are consistent with those of the previous year. The previous year's figures and phrases have been rearranged wherever necessary to conform to the current year's presentation.

## 2.2 ASSETS & BASES OF THEIR VALUATION

### 2.2.1 Property, Plant & Equipment

#### a) Cost

Property, plant and equipment are recorded at cost less accumulated depreciation and less any impairment in value.

#### b) Cost and Valuation

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

#### c) Depreciation

Provision for depreciation is calculated by using straight line method on the cost or valuation of all property, plant and equipment, in order to write off such amounts over the estimated useful lives of such assets.

Assets held under finance lease are depreciated over the shorter of the lease term or the useful lives of equivalent owned assets.

The principal annual rates used for this purpose, which are consistent with that of the preceding years, are;

Buildings	Over 20 Years
Plant and Machinery	Over 06 to 10 Years
Furniture and Fittings	Over 03 to 05 Years
Laboratory Equipment	Over 03 to 05 Years
Motor Vehicles	Over 02 to 04 Years
Tools and Equipment	Over 03 to 10 Years
Office Equipment	Over 2.5 to 05 Years
Bottles and Crates	Over 04 Years
Computers	Over 02 to 04 Years
Bottle Coolers	Over 2.5 to 05 Years
Software	Over 03 Years
Milk Cans	Over 05 Years

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

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

#### d) Restoration Costs

Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance is recognized as an expense when incurred.

#### e) Derecognizing

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset is calculated as the difference between the net disposal proceeds and the carrying amount.



### 2.2.2 Leases

#### a) Finance Leases - where the company is the lessee

Leases which assume that transfer substantially all the risks and rewards incidental to the ownership are classified as finance leases. Assets acquired by way of a finance lease are measured at an amount equal to the lower of their fair value or the present value of minimum lease payments at the inception less accumulated depreciation and accumulated impairment losses.

The corresponding principal amount payable to the lessor is shown as a liability. The finance charges allocated to future periods are separately disclosed in the notes.

The interest element of the rental obligation applicable to each financial year is charged to the income statement over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The cost of improvements to or on leased property is capitalized, and depreciated over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Any excess of sales proceeds over the carrying amount of assets in respect of a sale and leaseback transaction that result in a finance lease, is deferred and amortized over the lease term.

#### b) Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of an asset under the leased term, are classified as operating leases.

Lease payments (excluding cost of service such as insurance and maintenance) paid under operating leases are recognized as an expense in the income statement over the period of lease on a straight line basis.

### 2.2.3 Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists or when annual impairment testing for an asset is required the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. These calculations are collaborated by valuation multiples, quoted share prices or other available fair value indicators.

Impairment losses of continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity upto the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot “exceed” the carrying amount that would have been determined, net of depreciation had, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.2.4 Capital Work-in-Progress

Capital work-in-progress is transferred to the respective asset accounts at the time of the first utilization of the asset.

### 2.2.5 Investments

#### Long Term Investment

Long term investments are classified as non current investments and are stated at cost less any impairment losses. The cost of the Investment includes acquisition charges such as brokerages, fee, duties and bank charges.

Provision for impairment is made in the Income Statement when in the opinion of the Directors there has been a decline other than temporary in the value of the investments determined on individual basis.

#### Short Term Investments

Current investments are stated at cost.

### 2.2.6 Inventories

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

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formula.

Raw Material - At cost determined on Weighted Average Basis

Finished Goods - At the cost of direct materials, direct labour and appropriate proportion of fixed Production overheads at normal operating capacity.

Work-In-progress - At the cost of input materials.

Packing Material - At cost determined on Weighted Average Basis

Other Stocks - At cost determined on Weighted Average Basis

Goods in Transit - At actual cost

## 2.2.7 Trade and Other Receivables

Trade and other receivables are recognized at the amounts they are estimated to realize net of provisions for impairment. Other receivables and dues from related parties are recognized at cost less provision for impairment. The amount of the provision is recognized in the income statement.

## 2.2.8 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand and demand deposits.

For the purpose of cash flow statement, cash & cash equivalents consists of cash in hand and deposits in banks net of outstanding bank overdrafts.

The cash flow statements are reported based on the indirect method.

## 2.3 LIABILITIES & PROVISIONS

### 2.3.1 Liabilities

Liabilities classified under current liabilities in the balance sheet are those expected to fall due within one year from the balance sheet date. Items classified as non-current liabilities are those expected to fall due at point of time after one year from the balance sheet date.

#### Trade and Other Payables

Trade creditors and other payables are stated at their book values.

### 2.3.2 Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognized when the Company has a present obligations (legal & constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

All the contingent liabilities are disclosed as notes to the Financial Statements unless the outflow of resources is made contingent asset if exits are disclosed when inflow of economic benefit is probable.

### 2.3.3 Retirement Benefit Obligations

#### 2.3.3.1 Defined Benefit Plans - Gratuity

Provision has been made for retirement gratuities, in conformity with SLAS 16 / Gratuity Act No.12 of 1983. The liability is not externally funded nor actuarially valued.

The retirement benefit obligation of Milco (Private) Limited is based on the formula method which has been prescribed by the appendix "D" of the SLAS - 16 Retirement Benefits.

The management has made following assumptions in determining the gratuity liability.

	2011/2012	2010/2011
Interest Rate	13%	10%
Maximum Retirement Age	60 Years	57 Years

### 2.3.3.2 Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. The company contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

### 2.3.4 Grants & Subsidies

Grants and subsidies are credited to the income statement over the period necessary to match them with related cost, which they are intended to compensate on a systematic basis.

Grants related to assets, including non-monetary grants at fair value, are deferred in the balance sheet and credited to the income statement over the useful life of the related asset.

Grants related to income are recognized in the income statement in the period in which they are receivable.

### 2.3.5 Taxation

#### 2.3.5.1 Current Tax

Pursuant to Section 16 of Inland Revenue Act No 10 of 2006 and amendments thereon the profits of the Company was exempted from Income Tax for the period of 05 Years from 1<sup>st</sup> April, 2006 from 2011/2012 year of assessment, the Milco (Private) Limited is making the provision for Income Tax based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No.10 of 2006 and the amendments thereto.

#### 2.3.5.2 Deferred Taxation

Deferred tax is provided using the liability method on temporary differences at the Balance Sheet date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities recognized for all temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused losses can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Income tax relating to items recognized directly in equity is recognized in equity.

Deferred tax asset and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 2.3.5.3 Commitments

All material commitments as at the balance sheet date have been identified and disclosed in the notes to the financial statements.

## 2.4 INCOME STATEMENT

### 2.4.1 Revenue Recognition

#### a) Sale of Goods

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue and associated costs incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably.

#### b) Interest

Interest income is recognized as the interest accrued on the time basis (taking into account the effective yield on the asset) unless collectability is in doubt.

#### c) Others

Other income is recognized on an accrual basis.

#### d) Gains and Losses

Net gains and losses of a revenue nature on the disposal of property, plant and equipment and other non current assets including investments have been accounted for in the income statement having deducted from proceeds on disposal, the carrying amount of the assets and related property, plant and equipment amount remaining in revaluation reserve relating to that asset is transferred directly to accumulated profit/ (loss).

### 2.4.2 Expenditure Recognition

2.4.2.1 Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All the expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the loss for the year.

2.4.2.2 For the purpose of presentation of the income statement the directors are of the opinion that function of expenses method presents fairly the elements of the company's performance and hence such presentation method is adopted.

### 2.4.2.3 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs are directly attributable to the acquisition, construction or production of a qualifying assets which are assets that necessarily takes a substantial period of time to get ready for its intended purpose are added to the cost of those assets. Until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.



### 2.5 GENERAL

#### 2.5.1 Events Occurring after the Balance Sheet Date

All material events occurring after the balance sheet date have been considered and where necessary adjustments to or disclosures have been made in the respective notes to the Financial Statements.

#### 2.5.2 Related Party Transactions

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

#### 2.5.3 Earnings/(Loss) Per Share

Basic earnings/(loss) per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the number of voting or non-voting ordinary shares.

#### 2.5.3 Effect of Lanka Accounting Standards (LKAS) and Sri Lanka Financial Reporting Standards (SLFRS) Issued But not yet Effective

The Institute of Chartered Accountants of Sri Lanka has issued a new volume of Lanka Accounting Standards which became applicable for financial periods beginning on or after 1st January, 2012.

Accordingly, these Standards have not been applied in preparing these financial statements as they were not effective for the year ended 31st March, 2012.

These Sri Lanka Accounting Standards comprise Accounting Standards prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS). Application of Sri Lanka Accounting Standards prefixed SLFRS and LKAS for the first time shall be deemed to be an adoption of SLFRSs.

# SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS (Contd . , )



## 3. REVENUE

	2011/2012 Rs.	2010/2011 Rs.
Gross Sales	5,370,586,783	4,679,890,960
Less: Nation Building Tax	(107,434,572)	(130,916,907)
	<u>5,263,152,211</u>	<u>4,548,974,053</u>

## 4. OTHER INCOME

Interest on call/fixed deposit - Local	49,202,811	63,705,180
Interest on fixed deposit - Foreign Currency (USD)	23,978,994	19,936,314
Intrest on Loan-Staff	10,585,378	10,786,161
Redundand Sales	390,665	447,446
Rent Income	-	200,100
Income from Circuit Bungalow	-	58,237
Sale of Used item	-	90,000
Surcharges of Returned Cheques	560,645	1,131,073
Non Refundable Deposit	153,620	54,500
Non Refundable tender Deposit	300,500	494,500
Diferred Income - Government Grants	400,600	612,106
Registration of Suppliers	1,924,000	2,925,000
Sunday Income	100,000	-
Exchange Gain	79,648,709	-
	<u>167,245,922</u>	<u>100,440,617</u>

## 5. FINANCE COST

Interest on Finance Lease	5,510	333,253
Exchange Loss	-	15,171,011
Interest on loans	29,478,528	-
Interest on Bank Overdrafts	6,321,686	-
	<u>35,805,724</u>	<u>15,504,264</u>

## 6. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is stated after charging all expenses including the following.

Directors' Remunuration	9,870,934	8,674,785
Audit Services		
Internal Audit Services	4,826,983	4,383,970
External Audit Services	525,000	525,000
Depreciation on Property, Plant and Equipment	123,306,838	158,638,553
NBT Expenses	107,434,572	130,916,907
Advertising & Sales Promotions	44,931,211	27,867,924
Donations	23,750	3,000
Legal Expenses and Professional Fee	2,190,711	1,813,340
Provision for Bad & Doubtful Debts	1,164,172	587,915
Loss on Operations of Cattel Feed	16,684,254	23,347,247
Repair & Maintenance Expenses	27,299,933	31,191,392
Staff Costs		
- Salaries ,Wages and Allied Expenses	622,631,259	550,436,211
- Defined Contribution Plan Costs - E.P.F and E.T.F	52,024,634	35,385,293
- Defined Benefit Plan Costs - Gratuity	136,978,472	76,605,933

	2011/2012 Rs.	2010/2011 Rs.
<b>7. INCOME TAX EXPENSES</b>		
Current Income Tax Provision	7.1 10,917,993	27,471,930
	<u>10,917,993</u>	<u>27,471,930</u>
<b>7.1 Reconciliation Between Current Tax Expenses/(Income) and the Product of Accounting (Loss)/Profit</b>		
<b>7.1.a</b>		
Accounting (Loss)/Profit Before Taxation	(215,520,592)	110,663,480
Less: Income Considered Separately	(83,967,966)	(100,440,617)
Profit from Trade or Business	(299,488,558)	10,222,863
Less: Exempt Profit	-	(10,222,863)
Business (Loss)/Profit applicable taxation	(299,488,558)	-
Exempt Other income	23,978,994	(21,949,389)
Liable Other Income	59,988,972	78,491,228
Accounting Profit/Loss Chargeable to income taxes	-	78,491,228
Tax Rate	28%	35%
Tax on Chargeable profit or income	16,796,912	27,449,509
Add: Tax Effect on Disallowable expenses in determining taxable income		-
Less: Tax Effect on Disallowable expenses in determining taxable income	-	-
	<u>16,796,912</u>	<u>27,449,509</u>
Tax Effect on deduction under section 32	5,878,919	-
Tax on Adjusted income @ 35%	10,917,993	27,449,509
Social Responsibility Levy @ 1.5 %	-	411,743
	<u>10,917,993</u>	<u>27,861,252</u>
Under or Over provisions for previous year		(389,322)
Provision for the year	<u>10,917,993</u>	<u>27,471,930</u>
<b>7.1 b Tax Losses Brought Forward</b>		
Tax Losses Brought Forward from the year 2010/2011	-	-
Tax Losses incurred during the year		
Liable Other Income	(299,488,558)	-
Add: Tax Effect on Disallowable expenses in determining taxable	275,379,796	-
Less: Tax Effect on Allowable expenses in determining taxable	(326,915,646)	-
	(351,024,408)	-
Tax Effect on deduction under section 32	20,996,140	-
	<u>(330,028,268)</u>	<u>-</u>
<b>7.1.c Income derived from the foreign investment (Fixed deposit in Foreign currency) is exempted from the income tax as per the provision of Inland Revenue Department</b>		

## 8. (LOSS)/EARNINGS PER ORDINARY SHARE

Basic (Loss)/Earnings Per Share is calculated by dividing the net (loss)/profit attributable to equity holders of the company by the weighted average number of ordinary share in issue

	2011/2012 Rs.	2010/2011 Rs.
Net (Loss)/Profit Attributable to Ordinary Shares	(226,438,585)	83,191,550
Weighted Average Number of Ordinary Share	31,945,406 (7)	31,945,406 2.60

### 8.1 Diluted (Loss)/Earnings Per Share

There is no potentially diluted ordinary share of the company and as a result the diluted (loss)/earning per share is the same as basis earnings/(loss) per share shown above.

## 9. PROPERTY, PLANT AND EQUIPMENT

Description of Assets	Cost/Valuation		Depreciation		Written Down Value	
	Balance As At 01.04.2011	Balance As At 31.03.2012	Balance As At 01.04.2011	Charge for the Year 31.03.2012	Balance As At 31.03.2012	Balance As At 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Freehold</b>						
Land	-	3,250,000	-	-	3,250,000	-
Building	116,568,922	117,971,302	25,792,775	5,817,655	31,610,430	90,776,148
Plant & Machinery	421,619,739	812,268,417	123,746,681	67,687,925	191,434,606	297,873,058
Furniture & Fittings	24,502,751	2,193,975	14,817,029	2,683,717	17,500,746	9,685,722
Laboratory Equipment	31,053,411	1,078,440	20,556,767	2,947,079	23,503,846	10,496,644
Motor Vehicles	113,674,722	113,674,722	113,185,302	242,432	113,427,734	489,420
Tools & Equipment	175,945,680	5,255,420	139,892,407	11,040,695	150,933,102	36,053,273
Bottle and Crates	213,454,027	6,379,445	167,127,615	19,710,741	186,838,356	46,326,412
Computer Equipment	17,423,567	686,612	5,821,188	3,861,075	9,682,263	11,602,379
Computer Software	2,587,209	-	2,533,679	53,529	2,587,209	53,530
Bottle Coolers	46,382,178	7,166,524	36,980,607	4,040,072	41,020,679	9,401,571
Office Equipment	4,233,577	511,236	2,417,014	584,344	3,001,358	1,816,563
Milk Cans	41,302,468	3,609,391	33,417,173	3,094,386	36,511,559	7,885,295
	1,208,748,252	422,182,101	686,288,235	121,763,650	808,051,885	522,460,017
<b>Leasehold Assets</b>						
Plant & Machinery	15,431,880	15,431,880	5,143,960	1,543,188	6,687,148	10,287,920
	15,431,880	-	5,143,960	1,543,188	6,687,148	10,287,920
	1,224,180,132	422,182,101	691,432,195	123,306,838	814,739,033	532,747,937

## 9.1 Revaluation

Milco (Pvt) Ltd has revalued its assets except for Buildings, Bottles & Crates, Computer Software, Milk Cans in April 2008 at an aggregated value of Rs.500,409,271/= by Mr.S.N.Wijepala Chartered Valuation Surveyor (Dip in Valuation CT, B.Sc Estate Management, M.S.C-Urbam Land Appraisal). The surplus on revaluation amounting to Rs.336,454,462/= had been credited to revaluation account. Since the revaluation reserve has been accounted as at 31st March, 2009 there is an impact on depreciation charge for the year.

# SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS (Contd . , )



## 10. CAPITAL WORK-IN-PROGRESS

	Balance As At 01.04.2011	Incurred During the Year	Capitalized / Charged to P/L During the Year	Balance As At 31.03.2012
Construction Of Ragama Hospital Outlet	44,157	-	12,000	32,157
Construction of Karapitiya Hospital Sales Outlet	11,985	-	-	11,985
Construction of Waste Water Treatment Plant	16,345,529	-	-	16,345,529
Rain Water Drainage System	1,085,083	-	-	1,085,083
Karaliyadda - Civil Const (Pvt) Land	51,871	-	25,935	25,936
Construction Of Mini Cooling Centre - Titilcultry	1,041,251	-	-	1,041,251
Installation Of Racks For Central Stores	787,085	1,097,442	243,556	1,640,971
Construction Of sales outlet - Nallathanni	-	705,489	-	705,489
Civil-rep at ruwanwella MCC	-	2,497,273	-	2,497,273
UHT Plant -02 Nos (CMF& PMF)-600 M	-	750,577,944	386,671,999	363,905,945
Canteen - Colombo Milk Factory	-	3,008,188	-	3,008,188
Reconstruction of Damaged parapet wall - Polonnaruwa Milk Factory	-	1,546,613	-	1,546,613
Construction of Building	-	1,053,122	-	1,053,122
U.H.T Span parts & Civil Construction - Digana Milk Factory	-	991,150	-	991,150
Leasehold Property being installed - Polonnaruwa Milk Factory	-	103,746,485	-	103,746,485
Yoghurt Mix Plant	19,366,961	865,223,706	386,953,490	497,637,177

Note 10.1

### 10.1 Note

The yoghurt mix plant which was obtained on finance lease from Merchant Bank of Sri Lanka is in progress of installation in Polonnaruwa Milk Factory as at the balance sheet date.



		2011/2012 Rs.	2010/2011 Rs.
<b>11. LIVESTOCK</b>			
Livestock		305,900	1,431,645
		<u>305,900</u>	<u>1,431,645</u>
<b>12 INVENTORIES</b>			
Raw & Packing Materials	<b>Note 12.1</b>	145,632,097	119,012,506
Work in Progress		1,040,502	1,445,255
Finished Goods		131,003,897	44,174,890
Consumables	<b>Note 12.2</b>	203,408,433	193,204,694
Good in Transit	<b>Note 12.3</b>	13,564,597	1,367,402
Provision for Inventory	<b>Note 12.4</b>	(11,352,787)	(11,352,787)
		<u>483,296,739</u>	<u>347,851,961</u>
<b>12.1 Raw &amp; Packing Materials</b>			
Raw Materials - Dairy Production		18,604,219	14,080,669
Packing Materials -Dairy Production		108,510,152	88,111,421
Packing Materials -Cattle Feed		618,344	429,497
Raw Milk Stock		11,365,895	4,420,779
Drugs & Other Stock		6,533,487	11,970,140
		<u>145,632,097</u>	<u>119,012,506</u>
<b>12.2 Consumables</b>			
General Stores		22,861,030	25,423,147
Engineering Stores		148,169,701	135,212,658
Motor Stores		11,864,707	11,072,278
Fuel & Lubricant Stores		16,056,498	13,469,273
Staff Welfare - Milk Powder		-	175,000
Milk Can Stock		4,456,497	7,852,338
		<u>203,408,433</u>	<u>193,204,694</u>
<b>12.3 Goods In Transit</b>			
Finished Good in Transit		-	456,206
Good in Transit Lab Equipment		125,798	125,798
Raw Milk In Transit		6,969,492	4,315,748
Constrantrated Milk in Transit		3,220,925	
Y/G Culture		3,248,382	925,970
Furnance oil		-	(4,456,320)
		<u>13,564,597</u>	<u>1,367,402</u>
<b>12.4 Provision For Inventory</b>			
Packing Material		(9,420,229)	(10,082,202)
General Stores		(332,731)	(213,355)
Engineering Stores		(1,523,657)	(986,336)
Fuel Stores		(76,170)	(70,894)
		<u>(11,352,787)</u>	<u>(11,352,787)</u>

12.5 Inventories pledged as collaterals to obtain various financial assistance from the financial institutions are disclosed in Note No.28 to these financial statements.

# SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS (Contd . , )



		2011/2012 Rs.	2010/2011 Rs.
<b>13 TRADE AND OTHER RECEIVABLES</b>			
Trade Debtors	13.1	299,775,664	211,078,748
Receivable from the Government of Sri Lanka	13.2	548,992,655	429,522,058
Other Debtors	13.3	6,875,271	7,134,521
Advances, Deposits and Prepayments		69,147,147	71,550,530
Staff Debtors	13.4	133,376,779	133,190,033
Import Control		1,561,825	3,395,194
Interest Receivable on Fixed Deposits		52,500,649	36,110,088
WHT Receivables		10,493,879	
Other Receivables		740,000	3,499,556
		<u>1,123,463,869</u>	<u>895,480,728</u>
<b>13.1 Trade Debtors</b>			
Total Debtors		331,729,866	255,682,415
Less: Provision for Doubtful debtors		(31,954,202)	(44,603,667)
		<u>299,775,664</u>	<u>211,078,748</u>
<b>13.2 Receivable from the Government of Sri Lanka</b>			
Receivable from the Ministry of Livestock and Development - Expenses			
Reimbursement		6,437,752	4,010,626
Receivable from Government of Sri Lanka -Milk Payment Subsidy -Current		190,930,979	147,007,598
Receivable from Government of Sri Lanka -Milk Payment Subsidy - Before 2006		34,771,803	34,771,803
Receivable from Government of Sri Lanka- Kiriya Conversion (13.5)		347,961,144	347,961,144
Receivable from Government of Sri Lanka-Milk Industries Lanka Current Account		1,117,224	1,117,224
Receivable from Parliament Affaires		94,333	197,800
Receivable From Government of Srilanka - NLDB/Lanlib		3,000,000	3,000,000
Receivable from Government of Sri Lanka - Share Issue		-	12,954,040
		<u>584,313,235</u>	<u>551,020,235</u>
Less: Provision for Doubtful Receivables		(35,320,580)	(121,498,177)
		<u>548,992,655</u>	<u>429,522,058</u>
<b>13.3 Other Debtors</b>			
Total Receivables		6,875,271	7,134,521
Less: Provision for Doubtful Receivables		-	-
		<u>6,875,271</u>	<u>7,134,521</u>
<b>13.4 Staff Debtors</b>			
Total Receivables		133,376,779	133,190,033
Less: Provision for Doubtful Receivables		-	-
		<u>133,376,779</u>	<u>133,190,033</u>

**13.5** As per the agreement referred to in Note 1.1 to these financial statements, this amount is receivable from the Government of Sri Lanka. Further, as described by a letter dated 08th August 2000 received from the Public Enterprises Reform Commission, the Board of Directors of the Company has decided to account for any additional liabilities resulted from the liabilities prevailed as at 3rd February, 1998 as receivable from the Government of Sri Lanka.

The company is in the process of negotiation with the Government of Sri Lanka to settle such recoverable amounts against the payables to the Government by means of taxes and other statutory payments mentioned in the note no 22.1. Hence the recoverability of such balances depends on the decision of the Government.

	2011/2012 Rs.	2010/2011 Rs.
<b>14 INVESTMENT</b>		
<b>14.1 Short term investments</b>		
People's Bank - Corporate Banking Unit	175,100,000	25,500,000
Bank of Ceylon - Overseas Customer Unit	-	439,623,649
State Mortgage & Investment Bank	-	150,000,000
Bank of Ceylon - Treasury	-	315,500,000
	<u>175,100,000</u>	<u>930,623,649</u>
<b>14.2 Long term investments</b>		
Bank of Ceylon - Treasury	315,500,000	
Fixed Deposits - BOC - US \$ 4,095,896.38	523,660,352	-
	<u>839,160,352</u>	<u>-</u>
Investments amounting to Rs.839,160,352/- has been pledged against the loans obtained as mentioned in the note no 19. Accordingly, it has been classified under long term investments.		
<b>15 CASH AND CASH EQUIVALENTS</b>		
Balances at Banks	29,892,575	393,001,398
Petty Cash in Hand	3,115,191	1,345,384
	<u>33,007,766</u>	<u>394,346,782</u>
<b>16 STATED CAPITAL</b>		
Stated Capital in Numbers	<u>31,945,406</u>	<u>31,945,406</u>
	<b>Rs.</b>	<b>Rs.</b>
Stated Capital in Value	<u>319,454,060</u>	<u>319,454,060</u>
<b>17 CAPITAL RESERVE</b>		
<b>17.1 Reserve on Acquisition &amp; Upgrading of Plant and Machinery</b>		
Transferred From Retained Earnings	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>
The above Reserve is created from the Revenue Reserve during the year of 2008/2009 which would be utilized for acquisition of heavy plant and machinery such as power plant, sterilizer etc.		
<b>18. SINKING FUND</b>		
Transferred from Retained Earnings	1,689,778	1,689,778
	<u>1,689,778</u>	<u>1,689,778</u>
The Sinking Fund created from the proceed of the cans sold to the farmers. The said fund will be utilised to meet the financial requirement of purchases intended to issue on recovery basis to farmers in future.		

# SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS (Contd . , )



## 19. LOANS AND BORROWINGS

### 19.1 INTEREST BEARING BORROWINGS

		2011/2012			2010/2011		
		Payable Within 01 Year	Payable after 01 Year	Total	Payable Within 01 Year	Payable after 01 Year	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Lease Creditors	(19.1.1)	16,668,926	87,077,559	103,746,485	423,239	-	423,239
Loans and Borrowings							
Banks	(19.1.2)	70,000,020	555,150,539	625,150,559	-	-	-
		86,668,946	642,228,098	728,897,044	423,239	-	423,239

		2011/2012 Rs.	2010/2011 Rs.
<b>19.1.1. Gross Lease Creditor - Merchant Bank of Sri Lanka</b>			
Balance at the beginning of the year		428,749	5,573,737
Add: During the Year Additions		154,203,936	-
Less: During the Year Payments		(428,749)	(5,144,988)
Balance at the End of the Year		154,203,936	428,749
<b>Interest in Suspense</b>			
Balance at the beginning of the Year		5,510	472,893
Interest In Suspense on Lease Facility Obtained During the Year		50,457,451	-
Less: Amount Transferred to Income Statement		(5,510)	(467,383)
Balance at the End of the Year		50,457,451	5,510
Net Liability		103,746,485	423,239
Current Maturity Portion		16,668,926	423,239
Long Term Maturity Portion		87,077,559	-
		103,746,485	423,239

### 19.1.2 Bank Loans and Borrowings - Bank of Ceylon

Balance at the beginning of the Year	-	-
Received During the Year	665,983,904	-
Less: During the Year Payments	(40,833,345)	-
Balance at the End of the Year	625,150,559	-
Current Maturity Portion	70,000,020	-
Long Term Maturity Portion	555,150,539	-
	625,150,559	-

### 19.2 NON-INTEREST BEARING BORROWINGS

#### Long Term Portion

National Milk Board	2,108,063	2,108,063
Ministry of Agriculture & Livestock Development	83,590,654	83,590,654
	85,698,717	85,698,717

19.3 Assets pledged as collaterals to above loans and borrowings are disclosed in Note No.28 to these financial statements.

		2011/2012 Rs.	2010/2011 Rs.
<b>20. RETIREMENT BENEFIT OBLIGATION - GRATUITY</b>			
Balance at the Beginning of the Year		201,703,631	125,097,698
Current Service Cost		19,759,918	13,718,742
Interest Cost		26,221,472	12,509,769
Gain/Loss from Changes in Assumption		94,392,178	59,228,640
Payment Made During the Year		(3,395,096)	(8,851,220)
Balance at the End of the Year		<u>338,682,103</u>	<u>201,703,629</u>
<b>21 GOVERNMENT GRANT</b>			
<b>21.1</b>			
Balance at the Beginning of the Year		20,757,825	22,567,086
Grant Received During the Year		8,094,492	7,860,285
Grant Recognized to the Income Statement During the Year		(400,600)	(9,669,546)
Grant Recognized Against Recievables		(12,954,033)	-
Balance at the End of the Year	21.2	<u>15,497,684</u>	<u>20,757,825</u>
<b>21.2 Deferred Government Grant</b>			
Grant to Polonnaruwa Factory		-	12,954,034
Grant of Samanthurai		1,892,800	2,038,400
Grant of Thirukkivil		1,931,000	1,931,000
Grant of Thimilathive		2,340,000	2,520,000
Grant of Milk Can		114,392	114,391
Grant of Assets		8,094,492	-
Grant of 14 Sales Outlet		1,125,000	1,200,000
		<u>15,497,684</u>	<u>20,757,825</u>
<b>22. TRADE AND OTHER PAYABLES</b>			
Trade Creditors		202,147,590	88,504,986
Expense Creditors		37,546,358	105,859,187
Other Payables	22.1	622,623,191	628,757,035
		<u>862,317,139</u>	<u>823,121,208</u>

- 22.1** Other payables include long outstanding balances of Rs.512,468,267/= which includes Rs.505,521,564/= which is outstanding from the date on which the assets and liabilities were transferred to "Milco (Private) Limited" from "Kiriya Milk Industries of Lanka (Pvt) Limited. The said amount includes the statutory liabilities payable to Inland Reveue Department and other Government institutions.

Company is in the process of negotiation with the Government of Sri Lanka to settle such recoverable amounts agianst the amount mentioned in the note no 13.5.

## 24. BANK OVERDRAFTS

Bank of Ceylon - 1758	165,522,883	-
Bank of Ceylon - 1766	10,364,814	3,197,414
People's Bank - 41180210331	91,843,136	66,795,478
People's Bank - 41120210937	15,152,658	9,017,530
Bank of Ceylon - 74000111100000	1,235,552	6,302,476
Bank of Ceylon - 1279942	-	3,196,463
Bank of Ceylon - 20655230	1,368,465	-
People's Bank - 134-1-001-2083302	31,217	-
Fund Transfers	89,366	
	<u>285,608,091</u>	<u>88,509,361</u>



## 25. UNRECOGNIZED CONTRACTUAL COMMITMENTS

There have been no capital commitments contracted but not provided for, or authorized by the board but not contracted for, outstanding as at the balance sheet date.

## 26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### 26.1 Contingent Liabilities

There are no contingent liabilities as at the balance sheet date.

### 26.2 Contingent Assets

There are no contingent assets as at the balance sheet date.

## 27. RELATED PARTY DISCLOSURE

### 27.1 Substantial Shareholding and Ultimate Ownership

The company is a wholly owned government enterprise, which holds 100% ordinary shares of the company.

### 27.2 Key Management Personnel Information

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company as well as its related parties, directly or indirectly, including any director (whether executive or otherwise) of the company.

The remuneration of directors and other members of key management during the year was as follows

	2011/2012 Rs.	2010/2011 Rs.
Short Term Employee Benefits	9,870,934	8,674,785

### 27.3 Related Party Transactions

As per the declaration made by the directors of the company there were no significant related party transactions taken place throughout the period which would required to be disclosed as per Sri Lanka Accounting Standards.

# SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS (Contd . , )



## 28. ASSETS PLEDGED AS COLLATERALS

Following assets have been pledged as security for liabilities

Nature of Liabilities The Name of Bank	Loan/Facility Granted Rs.	Balance Outstanding as at 31.03.2012 Rs.	Balance Outstanding as at 31.03.2011 Rs.	Repayment	Security Pledged
Loan Granted by Bank of Ceylon	665,983,904	625,150,559	-	i) Repayable in 120 equal monthly installments of Rs.5,833,335 /- ii)	Fixed Deposits Amounting to Rs.315,500,000 of Bank of Ceylon. Fixed Deposits Amounting US\$ 4,095,896.38 of Bank of Ceylon.
Bank Over Draft facility provided by Bank of Ceylon	100,000,000	165,522,883	-	i) On Demand	Stock in trade movables and effect of the obligation including stocks of packing materials and finished goods and other moveables property lying in and upon or stored at No. 45 Nawala road Narahenpita in the district of Colombo, Western Province and present and or future book date of the company.
Bank Over Draft facility provided by People's Bank	45,000,000 20,000,000 40,000,000	91,843,136	- - -	i) On Demand ii) On Demand iii) On Demand	Fixed Deposits Amounting to Rs.50,000,000 of People's Bank. Fixed Deposits Amounting to Rs.25,000,000 of People's Bank. Fixed Deposits Amounting to Rs.50,000,000 of People's Bank.

## 29. EVENTS AFTER THE BALANCE SHEET DATE

The directors have recommended to write off the irrecoverable debtors balances amounting to Rs.13,823,199/- out of the provisions made against the bad and doubtful debtors as specific write off which exceeds 10 years on 31st July 2012, which the decision was duly approved by an ordinary resolution dated 31st July 2012. In accordance with the Sri Lanka Accounting Standards 12 (Revised 2005) "Events Occurring After the Balance Sheet" this event has been recognized in the financial statement.

## 30. COMPARATIVE FIGURES

Comparative figures have been re-classified where necessary in line with the presentation requirements for the current year.

2011/2012    2010/2011    2009/2010    2008/2009    2007/2008

## **OPERATION RESULTS**

Turnover (Net)	Rs. 000'	5,263,152	4,548,974	4,093,052	4,242,074	3,238,452
Gross Profit	Rs. 000'	249,325	536,949	697,490	731,398	452,203
Profit before tax	Rs. 000' (	215,521 )	110,664	338,725	351,737	109,374
Income tax Expenses	Rs. 000' (	10,918 ) (	27,472 ) (	37,975 ) (	19,581 ) (	5,107 )
Profit After Tax	Rs. 000' (	226,438 )	83,192	300,750	332,156	104,267

## **BALANCE SHEET**

Stated Capital	Rs. 000'	319,454	319,454	319,454	306,500	306,500
Retained earnings	Rs. 000'	964,840	1,191,279	1,108,087	836,699	429,637
Sinking Fund	Rs. 000'	1,690	1,690 (	11,264 )	1,690	1,682
Reserve for upgrading / replacement of Plant & Machinery	Rs. 000'	25,000	25,000	25,000	25,000	25,000
Revaluation Reserve	Rs. 000'	336,455	336,455	336,455	336,455	
Shareholders fund	Rs. 000'	<u>1,647,439</u>	<u>1,873,878</u>	<u>1,777,732</u>	<u>1,506,344</u>	<u>762,819</u>
Property Plant & Equipment	Rs. 000'	2,168,421	552,115	572,074	607,598	346,041
Net Current Assets/(Liabilities)	Rs. 000'	561,125	1,629,923	1,452,398	1,114,635	677,114
Long term/(Deferred Liabilities)	Rs. 000' (	1,082,107 ) (	308,160 ) (	233,787 ) (	216,297 ) (	260,678 )

## **RATIOS**

Earning per share	Rs. -	7.09	2.60	9.41	10.84	3.40
Total Assets to share holders fund/ times		2.42	1.67	1.66	1.75	2.39
Net Assets per share	Rs.	51.57	58.66	56.06	49.15	24.89
Return on share holders equity	% -	1.37	4.44	16.80	22.05	13.67
Gross Profit Ratio	%	4.74	11.80	17.04	17.24	13.96
Net Profit Ratio	% -	4.30	1.83	7.35	7.83	3.22
Current Assets Ratio/ Times		1.45	2.73	2.54	2.22	1.84
Quick Assets Ratio (Times)		1.06	2.36	1.98	1.84	1.45