National Paper Company Limited

Annual Report

2015 - 2016

Ministry of Industries

Financial Statements, Statements of Accounts and Independent Audit Reports

National Paper Company Limited

Financial Statements

For the Year ended as at **31.03.2016**

Message from the Chairman

Titled as the pilot of Sri Lanka's paper industry under the name of National Paper Company Limited this institutions registered as a government Company in 1992. Has fulfilled as enormous service by accomplishing the paper requirement of the Nation for nearly seven decades since 1956 up to the present, and has been honored with the National Productivity award in the years 1995 and 1996.

When the present Board of Directors including myself was appointed as the Comptrollers of the National Paper Company in February 2020, both the Valachchenai and Embilipitya Mills were idling, and except for a limited number of workers, all other employees had retired under the Voluntary Retirement System (VRS) implemented since 2016. Thus, at a time when the nation's paper industry was facing a setback, I would like to recall that the assigned challenges, to place theNational Paper Company in a self-financing positions in the paper market, was taken up to by me with pleasure.

Even though the audited financial reports of the National Paper company from April 2015 to March 2016 were available, the other challenges we were faced with was that they had not been prepared and presented as Annual Reports, and also the Annual Accounts had not been prepared since April 2015. As the year end accounts and annual reports since the year 2020 were required to be systematically and properly prepared based on previous data, preparation and submission of Annual Reports for the year 2015 -2016 within a very short period of time, was a hesitant responsibility I tool upon myself during my tenure, and I' m pleased that I'm able to submit at least this type of reportbased on the data we ha possessed.

I recall with gratitude His Excellency the president, Hon minister and his staff as well as the staff of the Treasury for encouraging me and giving me all assistance at all times, and taking decisionsrewired to expand the autonomy of the National paper company again in the present competitive market by avoiding various obstacle that existed in the past.

Further recall with heartfelt gratitude the Secretary to the Ministry and his staff for having places confidence in us and constant supervision of the Company's Activities, offering us necessary guidance, and also the board of directors of our Company for giving me immense strength in building the future of the local paper industry, and I recollect with wholehearted pleasure the devoted staff of our company, the fore-runners of the paper industry who, as a strong team, worked hand-in- hand with me for uplift of the National Paper company.

Wimal Rupasinghe
Chairman
National Paper Company Limited

2023

Incumbent Board of Directors including Chairman

Mr. K.A. Wimal Rupasinghe
Chairman

Mrs. R.J Abdeen
Director

Mr. R.M.Wijearatne
Director

Mr. J.A.M Nazeer
Director

Mr. E.R.Senadeera Bandara
Director

Mr. M.H.M.A Gunathilaka
Director

Mr. Dinidu Munidasa
Ministry Observer

Corporate Vision & Mission

Our Vision

To become the forerunner in Sri Lanka in the marketing of printing paper, photocopy paper and computer stationery, etc. and billboards, which are not produced at present, to contribute for the progress of Sri Lanka's paper industry.

Our Mission

To become a profit-making, environment-friendly, customer-driven, exceptionally innovative and diversified paper company with human resources and an excellent management, by producing and marketing all kinds of paper and billboards.

National Paper Company Limited

Content

Financial Year 2015/2016

National Paper Company Limited

Corporate information: 2015/2016

Competent Authority - Mr. K.M.S Kandegedara

Company Secretaries

D.M.J Management and Secretaries Service Pvt Ltd

No. 20/26

Station Road

Nugegoda

Registered Office

No. 93, Jawatta Road

Colombo 05

Auditors

National Audit Office

306/72 Polduwa Road

Battaramulla

Bankers

People's Bank

Bank of Ceylon

Report from the Directors

The Annual Report with Audited Accounts for the tear ended as at 31.03.2016 is hereby submitted by the Board of Directors of the National Paper Company Limited.

1. Main operational activity

   The mail operational activity of the company is marketing of paper and paper boards produced in Valachchenai paper Mill.

2. Share Capital

   The National Paper Company Limited is a State – Owned Enterprise with the Secretary to the Treasury having a 100 % share- ownership. Its share capital is Rupees 323 million (i.e. consisting of 32,300,000) capital share @ Rupees 10/= a capital share)

3. Turnover

   The net turnover of the company for the financial year ended as at 31.03.2016 was Rupees 6,074,415.

4. Cost of production of the Company

   The Cost of Production of the Valachchenai Mill during the period under review was Rupees 19,907,888 .

5. Capital Expenditure

   Since the day allotted to restructuring of the National Paper Company Limited, its capital expenditure was limited to a lesser extent.

6. The keenness that was shown by the directors to venture into agreements regarding the company

   During the year ended as at 31.03.2016, the directors of the company were not able to venture into agreements with the company directly or indirectly.

7. The financial statements of the company for the year ended as at 31.03.2016 were audited by National Audit Office.

NATIONAL PAPER COMPANY LIMITED

FINANCIAL STATEMENTS

31 MARCH 2016

The Chairman,
National Paper Company

Report of the Auditor General on the Financial Statements of the National Paper Company for the year ended 31 March 2016 .

1.Financial Statements

The audit of the financial statements of the of National Paper Company Limited for the year ended 31 March 2016 comprising the statement of financial position as at 31 March 2016 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

1.1 Responsibility of the Board of Directors for the financial statement

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards , and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

1.2 Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions . Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

Basis for Disclaimer of Opinion

(a) Even though the cost of lands and buildings should be identified separately in the financial statements in terms of Paragraph 58 of Sri Lanka Accounting Standard 16, the cost of the lands and buildings totalling Rs. 132,274,693 had not been identified separately.
(b) Although the People's Bank had confirmed that there were no fixed deposit balances during the year under review, a sum of Rs. 2,734,584 had been identified as a negative fixed deposit of the People's Bank under the long-term investments in the financial statements.

(c) Despite the confirmation of the company to the effect that no production process took place during the year under review, sums totalling Rs. 14,460,469 had been identified as the production cost in the financial statements.

(d) Although the tax liability payable to the Inland Revenue Department as at 31 December of the year under review was Rs. 45,549,485 according to the financial statements, it was Rs. 132,302,377 according to the direct confirmation of that department. The management had failed to confirm the difference of Rs. 86,752,892 by reconciliation or any other means.

(e) The relevant evidences to vouch or accept satisfactorily relating to 29 account balances totaling of Rs..2,800,768,057 described below as 02 balances of revenue accounts valued at Rs.100,517,297 , 12 balances of expenditure accounts valued at Rs.22,964,709 , 10 balances of assets accounts valued at Rs.1,364,985,684 , 15 balances of liabilities accounts valued at Rs.1,312,300,367 had not been available.

(i) Sales invoices and bills required for confirming of total value of Rs.6,074,415 which had been identified as the main income and purchasing invoices required to confirm the purchase cost valued at Rs.3,577,369 .

(ii) Necessary bills and source documents related to the receipt of grants had not been presented to confirm the grants of Rs. 128,150,572 received from the Treasury, Rs. 34,260,504 received from the Ministry and the grant of Rs. 94,442,882 received from the head office.

(iii) Necessary salary registers, remittance papers and the document related to the calculation of the contribution to confirm the accrued contribution for the Employees' Provident Fund amounting to Rs. 54,475,280 and the contribution of Rs. 3,642,525 for the Employees' Trust Fund.

(iv) Lease agreements and monthly salary registers required for the confirmation of accrued rent of Rs. 11,082,941 and accrued salaries and wages of Rs. 26,281,819.

(v) Necessary control accounts, creditors' ledger and the direct balance confirmations to substantiate the trade creditors of Rs. 146,388,237 and the sundry creditors (Scrap Papers) of Rs. 27,566,297.

(vi) The updated fixed assets register, deeds of properties, motor vehicles registration certificates required to substantiate the property, plant and equipment of Rs. 839,300,644

(vii) Stock calculation records and stock registers required to confirm the closing balance of Rs. 121,481,914.

(viii) Direct balance confirmations and the control accounts required to confirm the trade and other receivables amounting to Rs.389,715,930.

(ix) The notification related to the recovery of surcharges and the correspondences with the Ceylon Electricity Board required to substantiate the allocation for the surcharges of Rs. 231,282,413 payable to the Ceylon Electricity Board.

(x) The lease agreement, relevant journal entries, correspondences with the line ministry and the Ministry of Finance required to confirm the balance of Rs. 467,972,042 payable to the Ose Lanka (Private) Company.

(xi) Loan agreements and the letters related to obtaining loans and the bills in relation to the loans inclusive of the interests of Rs. 161,119,057.

(xii) Consumer deposit register for the value of Rs. 20,078,680.

(xiii) The cash book, bank reconciliations and the balance confirmation letters to confirm the cash and cash equivalent amounting to Rs. 14,487,197

(xiv) Documents related to the calculation of monthly salaries and bonus for the value of Rs. 19,387,340.

1.4 Disclaimer of Opinion

Because of the matters described in paragraph of Disclaimer of Opinion of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

1.5 Report on Other Legal and Regulatory Requirements

According to Section 163(2) of the Companies Act, No. 7 of 2007, I express the following matters.

(a) Basis for opinion and scope and purview are as stated above.

(b) I have not obtained all the information and explanation that considered necessary for the purpose of audit. As such I do not express an opinion on the accompanying financial statements.

2 Tabling of Annual Reports

My report will be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution of the Democratic Socialist republic of Sri Lanka, in due course.

W.P.C Wickramarathne

Auditor General

NATIONAL PAPER COMPANY LIMITED

STATEMENT OF ASSETS & LIABILITIES

as at 31st March 2016

	Notes	2016	2015
		Rs.	Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	7	(39,835,589)	51,597,947
Capital Work in Progress		37,428,597	37,229,922
Long Term Investment	8	(1,964,561)	(1,964,561)
		(4,371,554)	86,863,307
Current Assets			
Inventory	9	114,384,064	136,275,892
Trade & Other Receivables	10	399,005,027	311,535,710
Cash & Cash Equivalents	11	14,698,735	18,673,610
		528,087,826	466,485,212
Total Assets			
		523,716,272	553,348,520
Equity & Liabilities			
Equity			
Stated Capital	12	323,000,000	323,000,000
Foreign Grants		41,777,052	41,777,052
Capital Reserve		45,087,534	45,087,534
Retained Losses		(1,430,845,538)	(1,500,796,172)
		(1,020,980,953)	(1,090,931,587)
Non Current Liabilities			
Interest - Bearing Loans & Borrowings	13	163,178,655	164,688,600
Current Liabilities			
Trade & Other Payables	14	1,360,937,369	1,362,765,222
Payables to Government	15	98,945,600	100,681,254
Bank Overdraft	16	13,401,535	16,145,030
		1,473,284,504	1,479,591,507
Total Equity & Liabilities			
		615,482,206	553,348,520

Figures in brackets indicate deductions.
The Note to the Financial Statements form an integral part of these Financial Statements.

The Board of Directors are responsible for preparation & presentation of these financial statements.
Signed for and on behalf of the board.

………………………………..
Director
27th April 2021

NATIONAL PAPER COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS

for the year ended 31st March 2016

	Notes	2016 Rs.	2015 Rs.
Revenue	1	6,074,415	74,905,615
Cost of Sales	2	(19,907,888)	(246,340,709)
Gross Profit/ (Loss)		**(13,833,473)**	(171,435,094)
Other Income	3	120,672,933	99,268,591
Administration Expenses	4	(31,012,652)	(34,987,612)
Selling and Distribution Expenses	5	(4,224,891)	(7,779,378)
Operating Profit/ (Loss) for the Year		71,601,918	(114,933,493)
Finance Cost	6	(1,651,284)	(8,705,267)
Profit / (Loss) before Tax		69,950,634	(123,638,759)
Income Tax Expense		-	-
Net Profit/ (Loss) for the Year		**69,950,634**	(123,638,759)

Figures in brackets indicate deductions.
The Note to the Financial Statements form an integral part of these Financial Statements.

NATIONAL PAPER COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2016

	Stated Capital	*Foreign Grants*	*Capital Reserve*	*Retained Losses*	*Total*
Balance as at 31st March 2014	323,000,000	41,777,052	45,087,534	(1,377,260,670)	(967,396,084)
Adjustments to Loss	-	-	-	103,258	103,258
Net Profit/(Loss) for the Year	-	-	-	(123,638,759)	(123,638,759)
Balance as at 31st March 2015	323,000,000	41,777,052	45,087,534	(1,500,796,172)	(1,090,931,586)
Net Profit/(Loss) for the Year	-	-	-	69,950,634	69,950,634
Balance as at 31st March 2016	**323,000,000**	**41,777,052**	**45,087,534**	**(1,430,845,538)**	**(1,020,980,952)**

Figures in brackets indicate deductions.
The Notes to the Financial Statements form an integral part of these Financial Statements.

NATIONAL PAPER COMPANY LIMITED

CASH FLOW STATEMENTS

for the year ended 31st March 2016

	2016	2015
	Rs.	Rs.
Cash Flow from Operating Activities		
Net Profit / (Loss) before Taxation	69,950,634	(123,638,759)
Adjustment for :		
Depreciation	91,650,225	5,322,543
Prior Year adjustment for Opening Balance differences	-	103,258
Loss on Disposal of Fixed Assets	-	8,572
Interest Income	-	(4,499,115)
Finance Costs	1,651,284	8,705,267
	163,252,143	(113,998,234)
Changes in Working Capital		
(Increase)/Decrease in Inventories	21,891,828	(2,481,254)
(Increase)/Decrease in Trade & Other Receivables	(87,469,316)	(24,912,654)
Increase/(Decrease) in Trade & Other Payables	(1,827,853)	142,545,760
Increase/(Decrease) in Payables to Government	(1,735,654)	12,194,528
	94,111,147	13,348,146
Finance Costs Paid	(1,651,284)	(8,705,267)
Net Cash Flow from Operating Activities	**92,459,864**	4,642,879
Cash Flow from Investing Activities		
Acquisition of Property, Plant & Equipment	(216,689)	(375,490)
Capital Work in Progress	(198,675)	(3,005,650)
Amount Received from Disposal of Fixed Assets	-	45,995
Maturity of Fixed Deposit	-	58,448,707
Interest Received	-	4,499,115
Net Cash Flows from Investing Activities	**(415,364)**	59,612,677
Cash Flows from Financing Activities		
Loan Received	2,402,527	9,760,945
Repayment of Long Term Loan	(818,722)	(10,174,650)
Lease Rentals Paid	(3,093,750)	(1,120,440)
Net Cash Flows from Financing Activities	**(1,509,946)**	(1,534,145)
Net Increase in Cash & Cash Equivalents	**90,534,554**	62,721,411
Cash & Cash Equivalents at the beginning of the Year	2,528,580	(60,192,831)
Cash & Cash Equivalents at the end of the Year	**93,063,134**	2,528,580
Analysis of Cash & Cash Equivalents		
Cash & Cash Equivalents *(Note - 11)*	14,698,735	18,673,610
Bank Overdraft *(Note - 16)*	(13,401,535)	(16,145,030)
	1,297,200	2,528,580

Figures in brackets indicate deductions.
The Notes to the Financial Statements form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STETMENTS

1 CORPORATE INFORMATION

1.1 General

National Paper Company Limited, ("the Company) is a fully owned government limited liability company incorporated and domiciled in Sri Lanka since 01 July 1992. The registered office of the Company is located at No.93, Jawatta, Colombo 05.

1.2 Principal Activities and Nature of Operations

The principal activities of the Company was to manufacture of paper and paper boards. During the year the Company has not operated in the main operation.

1.3 Authorization for Issue

The Financial Statements of National Paper Company Limited, for the year ended 31 March 2015, were authorized for issue by the Competent Authority on 05 November 2018.

1.4 Going Concern

The Company incurred a net loss of LKR 123,638,759/-during the year ended March 31,2015 (LKR 209,226,700/-during the year ended March 31,2014) and, as of that date, the Company's current liabilities exceeded its current assets by LKR 1,015,079,581/- (LKR 950,100,134/- during the year ended March 31,2014) and its total liabilities exceeded its total assets by LKR 1.090,931,586/- (LKR 967,396,084/- during the year ended 31 March 2014). Further the company has not operated the main business during the year which resulted gross loss of LkR 168,212,636/- during the year (LkR 181,946,583/-for the year ended 31 March 2014) and heavily dependent on the financial assistance provided by the Ministry. These factors raise substantial doubt that the Company will be able to continue as ageing concern.

2 Summary of Significant Accounting Policies

2.1 Current Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities' tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of reporting period.

2.2 Deferred Tax

Deferred Taxation has not been provided due to tax losses.

2.3 Cash and Cash Equivalents

Cash and Cash Equivalents in the Statement of Financial Position comprise case at bank and in hand for the purpose of the Cash Flow Statements.

NOTES TO THE FINANCIAL STETMENTS

2.4 Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the costs of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the useful life of assets. The rates applied for each class of Property, Plant & Equipment are give below :

Land & Buildings	40 Years
Furniture & fittings	10 Years
Motor Vehicles	4 Years
Machinery & equipments	15 Years
Process Appurtenance	15 Years
Computers	5 Years
Utilities	15 Years

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognising of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of Profit or Loss in the period the asset is derecognized.

Expenditure incurred on repairs or maintenance of Property, Plant & 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.

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

2.5 Retirement Benefit Obligation

a) Defined Benefit Plan-Gratuity

Provision has been made for retirement gratuities when the employees were eligible for it.The entire gratuity provision has been adjusted for the year ended 31 March 2014 and no gratuity provided for the year ended 31 March 2015. Further considerable number of retired employees has claimed their gratuity by way of legal action and still those court cases are under hearing.

b) Defined Contribution Plan-EPF & ETF

Employees are eligible for employees' Provident Fund Contribution and Employees' Trust Fund contributions in line with respective statues and regulation. The Company contribute 12% and 3% of gross emoluments of employees to the Empolyees' Prvident Fund and to the Employees 'Trust Fund respectively.

However the company policy was not to deduct the EPF & ETF from contract employees which is not acceptable under the Employees' Provident Fund Act No.15 of 1958 and Employees' Trust Fund Act No. 46 of 1980.

2.6 Inventories

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

The costs incurred in bringing inventories to its present location and condition is accounted for using the weighted average basic of valuation.

2.7 Trade and Other Receivables

Trade Receivables are stated at the amounts they are estimated to realise net of impairment of receivables. Other receivables recognised at cost less impairment of other receivables.

2.8 Provisions,Contigent Assets and Contingent Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

There are legal cases filed by staff calming their staff obligation and promotions. Those are still under hearing.

2.9 Income Statement

2.10 Revenue Recognition

Revenue is recognition to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable.

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

a) Sales of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the good have passed to buyer, usually on dispatch of the goods.

b) Interest

Revenue is recognised on a time proportion basis that takes in to accounts the effective interest rate on asset.

c) Dividends

Dividend Income is recognized when the shareholders' right to receive the payment is established.

d) Other

Other income is recognized on an accrual basis.

2.11 Expenditure Recognition

Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific item of income. All Expenditure incurred in the running of the business has been charged to the Statement of Profit or Loss.

For the purpose of presentation of the Statement of Profit or Loss, the Company has adopted "the function of expenses" method on the basis that it present fairly the element of the Company's performance.

NOTES TO THE FINANCIAL STATEMENTS

		2016	2015
		Rs.	Rs.
1)	**Revenue**		
	Sales Income	6,074,415	74,905,615
		6,074,415	74,905,615
2)	**Cost of Sales**		
	Stock as at 01.04.2015	14,195,701	3,306,054
	Production Cost During the Year	14,460,469	254,007,898
	Waste Paper Expenses	3,577,369	3,222,458
	Stock as at 31.03.2016	(12,325,651)	(14,195,701)
		19,907,888	246,340,709
3)	**Other Income**		
	Pasikuda Project Income	11,957,400	10,171,850
	Grants Received- Head Office	94,079,882	83,623,697
	Waste Paper Sales	14,272,651	973,929
	Interest Income on Fixed Deposit	-	4,499,115
	Other Income	363,000	-
		120,672,933	99,268,591
4)	**Administration Expenses**		
	Staff Salaries & Bonus	19,387,340	20,787,907
	Statutory Benefits - EPF & ETF	2,525,288	2,640,426
	- Gratuity	-	-
	Rent and Rates	2,745,895	3,756,229
	Staff Welfare	118,601	1,454,021
	Contract staff Allowances	498,742	1,440,467
	Telephone, Fax, Courier & Postage	799,833	1,201,898
	Vehicle Rent	465,000	1,035,000
	Printing and Stationery	168,089	571,424
	Repair and Maintenance	191,846	456,712
	Audit Fee	-	-
	Legal & Professional Fees	149,300	239,270
	Charitable Donation	11,000	252,833
	Depreciation	3,662,944	229,950
	Insurance	(23,303)	-
	Power & Electricity	195,073	383,113
	Water	127,003	118,532
	Secretarial Expenses	(25,000)	2,240
	General Expenses	15,000	75,830
	Fine Surcharge	-	7,686
	Asset Disposal Loss	-	8,572
	Legal Fees	-	96,500
	Transport Charges	-	229,000
		31,012,652	34,987,612

NOTES TO THE FINANCIAL STATEMENTS

	2016 Rs.	2015 Rs.
5) Selling & Distribution Cost		
Repairs & Maintenance-Vehicle	816,691	2,852,571
Depreciation for Vehicle	3,319,197	1,659,598
Business Promotion	-	1,068,304
Travelling & Subsistence	97,541	876,628
Exhibition Expenses	-	595,440
Entertainment Expenses	(14,923)	418,792
Advertisement Expenses	6,385	300,595
Photo Copy Paper Sales Expenses	-	7,451
	4,224,891	7,779,378
6) Finance Cost		
Bank Charges	91,239	261,179
Lease Interest	879,495	1,579,219
Interest on Trust Loan & Overdraw	680,550	6,864,870
	1,651,284	8,705,267

7) Property, Plant & Equipment

Cost	*Balance as at 01.04.2015*	*Additions*	*Disposal*	*Balance as at 31.03.2016*
Land & Buildings	132,274,693	-	-	132,274,693
Furniture & fittings	15,747,800	206,699	-	15,954,499
Motor Vehicles	26,370,600	-	-	26,370,600
Machinery & Equipments	470,973,374	-	-	470,973,374
Process Appurtenance	87,358,241	-	-	87,358,241
Computers	941,640	9,990	-	951,630
Utilities	105,417,606	-	-	105,417,606
	839,083,955	216,689	-	839,300,644
Depreciation				
Land & Buildings	114,918,987	902,031	-	115,821,017
Furniture & Fittings	15,581,075	30,500	-	15,611,575
Motor Vehicles	23,584,038	87,319,197	-	110,903,234
Machinery & Equipment	441,660,069	2,754,283	-	444,414,352
Process Appurtenance	86,689,570	2,779	-	86,692,349
Computers	365,057	403,637	-	768,694
Utilities	104,687,212	237,799	-	104,925,011
	787,486,008	91,650,225	-	879,136,233
Written Down Value	51,597,947			**(39,835,589)**

NOTES TO THE FINANCIAL STATEMENTS

		2016	2015
		Rs.	Rs.
8)	**Long Term Investment**		
	Fixed Deposit with Peoples Bank	(2,734,584)	(2,734,584)
	Staff Security Savings	10,542	10,542
	Security Deposit- Bank	14,706	14,706
	Workmen Compensation Fund	377,005	377,005
	Security Deposits - National Savings	4,087	4,087
	S/A for Distress Loan Payment	29,190	29,190
	Fixed Deposit - People's Bank, Batticaloa	11,233	11,233
	Fixed Deposit - Medical Scheme Fund	323,260	323,260
		(1,964,561)	(1,964,561)
9)	**Inventories**		
	Raw Materials	6,922,051	14,618,178
	Finished Goods	(1,694,251)	12,501,450
	Spare Parts & Tools	79,523,390	79,523,390
	Consumable Items	29,632,874	29,632,874
		114,384,064	136,275,892
10)	**Trade & Other Receivables**		
	Trade Receivables	65,563,145	58,620,894
	Provision for Bad Debts	(2,829,234)	(2,829,234)
		62,733,910	55,791,659
	Other Receivables (10.1)	236,294,238	236,294,238
	Deposits and Prepayments (10.2)	19,692,041	19,449,813
	Receivable from Division	80,284,838	-
		399,005,027	311,535,710
10.1)	**Other Receivables**		
	Staff Debtors	(193,910)	(193,910)
	Staff Debtors(Issue of Shoes on Sub.)	9,274	9,274
	Staff Debtors(T/phone Recovery)	325	325
	National App.Board - Allowance	46,692	46,692
	Staff Debtors (Rent & Elect.)	238,662	238,662
	Private Job	53,331	53,331
	Other Debtors (Other than Staff)	30,074,220	30,074,220
	Insurance Corporation Claims	15,000	15,000
	Service Rendered - Armed Forces	5,336,013	5,336,013
	Supply of Water to National Water Supply & D.B	(9,112)	(9,112)
	Human Vision Centre	3,188	3,188
	Provision-Access Engineering Ltd	72,926	72,926
	Vonlan Construction pvt ltd	2,057	2,057
	Contract Employees Filter Plant	6,137,049	6,137,049
	Salary Advance	2,224,675	2,224,675
	Bicycle Advance	8,750	8,750
	Festival Advance	357,870	357,870
	B/C/F	44,377,008	44,377,008

NOTES TO THE FINANCIAL STATEMENTS

	2016	2015
	Rs.	Rs.
10.1) Other Receivables		
B/B/F	44,377,008	44,377,008
Distress Loan	119,909	119,909
Past Dues A/c. Distress Loan	15,217	15,217
Travelling Advance	96,925	96,925
Advance for Emergency Purchases	775,938	775,938
Advance to Colombo Purchases	5,992,031	5,992,031
Advance for Incidental Expenses	97,717	97,717
Provision - Machine Clothing No: I M/c.	389,031	389,031
Provision - Machine Clothing No: II M/c.	1,445,078	1,445,078
Deposit Indents	882,506	882,506
Deposit Miscellaneous	21,900	21,900
Deposit P.M.G.(Telephone)	53,055	53,055
Deposits Empties	55,416	55,416
Pro. for Int. Receivable	(2,258,808)	(2,258,808)
S.R.M.C.	213,793,727	213,793,727
Inventory Asset	(36,679,597)	(36,679,597)
Prov.for Int.on Trust Loan & OD	7,103,561	7,103,561
Deposits - Telephone	13,625	13,625
	236,294,238	236,294,238

	2016	2015
10.2) Deposits and Prepayments		
Staff Debtors	36,737	36,737
Distress Loan	101,598	101,598
Festival Advance	12,050	13,150
Special Advance	3,430	3,430
Vehicle Loan	25,850	25,850
Salary Adjustment	406	406
Salary Advance	558,978	327,761
Ports Authority	340,156	340,156
Shipping Guarantee, Indent Depo	446,932	446,932
Rent Deposits	1,007,598	1,007,598
Franking Machine Deposits	16,000	16,000
Telephone Deposit	64,879	64,879
Deposit - Salaka	3,000	3,000
Advance Deposit	200,000	200,000
Purchase Clearing A/C	46,921	46,921
Indent Clearing - VCH	191,695	191,695
Indent Clearing - Emb	641,999	641,999
Indent Clearing - Vch (Spares)	476,819	476,819
Indent Clearing - Emb (Spears)	48,605	48,605
Other Deposit	197,770	201,770
Cash Advance - Local Purchase	815,411	799,300
Incorrect Account	1,438,245	1,438,245
Cash Advance Welfare	1,662	1,662
B/C/F	6,676,739	6,434,511

NOTES TO THE FINANCIAL STATEMENTS

	2016 Rs.	2015 Rs.
10.2) Deposits and Prepayments		
B/B/F	6,676,739	6,434,511
General Prepayment	246,081	246,081
Travelling Advance	34,400	34,400
Deposit - Advertisement Contract	5,750	5,750
Mineral Sands Ltd	34,260	34,260
Insurance Corporation	377,944	377,944
A.C.E. Cargo	9,941	9,941
State Hardware Corporation	900,000	900,000
Economic Service Charge	3,241,368	3,241,368
Prov.Elc. Receivable on H/O.Bld	19,352	19,352
Prov. Telephone Receivable	12,628	12,628
Withholding Tax	7,559,860	7,559,860
Study Tours	57,631	57,631
Advance for Services	516,088	516,088
	19,692,041	19,449,813
11) Cash & Cash Equivalents		
Peoples Bank - 2479	-	3,995,798
NDB 316602	92,762	148,117
Cash In Hand	131,037	131,037
Sundry Payments Imprest	204,653	105,697
Cashier's Imprest	4,975	4,975
Retail Sales from Imprest	3,000	3,000
Cash Imprest W/P K'pona	73,959	73,959
Stamp Imprest	21,321	21,321
Petty Cash	-	22,678
Cash at People's Bank, U/Place, Colombo	7,931	7,931
Cash at People's Bank, T/Br. Batticaloa	7,591	7,591
Cash in Transit	13,500,000	13,500,000
Cash at Bank of Ceylon, Batticaloa	651,506	651,506
	14,698,735	18,673,610
12) Stated Capital		
Treasury Funded Stated Capital	323,000,000	323,000,000
	323,000,000	323,000,000

13) Interest - Bearing Loans and Borrowings

13.1) Loans	*As at 01.04.2015*	*Loans Obtained / Int TFR to P&L*	*Repayment*	*As at 01.04.2015*
KFW Loan	159,654,648	-	-	159,654,648
Paranthan Chemicals - Loan	350,000	-	(50,000)	300,000
People's bank U - 13785	(390,454)	390,454	-	-
People's bank U 13794	(23,251)	23,251	-	-
BOC Loan A/c no. 77522444	-	1,894,911	(730,502)	1,164,409
BOC Loan A/c 77522563	-	93,911	(38,220)	55,691
	159,590,943	2,402,527	(818,722)	**161,174,748**

NOTES TO THE FINANCIAL STATEMENTS

13.2) Finance Leases

	As at 01.04.2015	Leases Obtained	Repayment	*As at 01.04.2015*
Lease - 8822 : HCLELE1200063800	1,613,251	-	(1,162,741)	450,510
Lease - 8825 : HCLELE1200063700	1,616,013	-	(62,615)	1,553,398
Lease - 8709 : HCLELE1200063600	1,868,393	-	(1,868,393)	-
	5,097,657	-	(3,093,749)	**2,003,907**

	2016 *Rs.*	*2015* *Rs.*
14) Trade & Other Payables		
Trade Payables	146,388,237	150,244,726
Other Payables (14.1)	1,168,999,647	1,165,553,796
Payable to Division	-	1,073,515
Statutory Payables (14.2)	45,549,485	45,893,185
	1,360,937,369	1,362,765,222

14.1) Other Payables

Payable Settlements with Sales	(4,326,767)	(4,326,767)
Mills Payable	1,435,757	1,435,757
Advance Received From Customer	821,011	821,011
Sundry Creditors - Waste Paper	27,566,297	23,461,221
Union & Insurance Payable	22,690	14,542
Sundry Creditors- General Purch	424,663	424,663
Sundry Creditor - W.P.-OLD	5,168,230	5,193,682
Stale Cheque Account	169,319	169,319
Sundry Creditors - Rent	3,063,323	3,063,323
Transport Contractor	699,706	699,706
Clearing Chgs -V.V. Karunaratne	(150,000)	(150,000)
Customer Deposits	20,078,680	18,941,864
Refundable Deposit	2,184,979	2,404,979
Refundable Container Deposit	4,417	4,417
Grant from Treasury	104,900,930	104,900,930
Cash paid advance - Waste Paper	825,489	825,489
Grant from Ministry	34,260,504	34,260,504
Grant from Treasury - VCH Boile	23,249,642	23,249,642
Cash Paid in Adv. (Suspense)	24,500	24,500
Salary Control A/C	(167,377)	83,012
Salaries Control A/c - Contract	(131,101)	526,091
Unpaid salary	113,112	113,112
Accrued Liabilities	561,708	561,708
Central Bank - EPF	41,349,127	44,567,149
Central Bank - EPF Surcharge	13,126,153	13,126,153
Employees Trust Fund	3,642,525	4,171,469
Refundable Turnover Tax	1,741,638	1,741,638
Rent Payable	11,082,941	8,387,515
Telephone Payable	66,985	119,962
B/C/F	291,809,081	288,816,592

NOTES TO THE FINANCIAL STATEMENTS

	2016 Rs.	2015 Rs.
14.1) Other Payables		
B/B/F	291,809,081	288,816,592
Electricity Payable	183,494	228,165
Water Payable	6,685	(2,301)
Accrued Sal. & Wages, Travelling	164,539	164,539
Cancelled & Returned Cheque	151,437	(312,962)
Unclaimed Medical Payments	900	900
Cash Sales Collection	167,630	167,630
Cash Sales Collection (R.S.R.)	7,650,641	7,650,641
Clearance Chg. Indents - Spares	2,367,662	2,367,662
Clearance Chg. Indents - R.M.	923,247	923,247
Tmp loan Mineral Sands	5,000,000	5,000,000
Ministry Account	25,578,996	25,578,996
Loan from Treasury	50,000,000	50,000,000
Dimo -Vehicle Payable	44,643	44,643
Medical Scheme Fund	22,257	19,881
Pro. Workmen Compensation Fund	7,617,403	7,617,403
Pro. Personnel Accident Fund	2,079,946	2,079,946
Treasury Grant for Compensation	157,689	157,689
Staff Security Deposit	7,294	7,125
Provision - Accrued Payments	8,615,267	8,615,267
Creditors Control	3,543,441	3,543,441
Accrued Salaries & Wages	3,478,964	3,478,964
Aus Lanka (Pvt) Ltd	467,972,042	467,972,042
Fines Mills Emp. (Refundable)	147,588	147,588
General Clearing Account EPF Casual /Contract	982,188	982,188
General Clearing Account ETF Casual /Contract	27,801	27,801
Clearing Account Paddy Husk	7,914,294	7,914,294
Saw Dust Stock A/C	139,179	134,376
Provisions - F i n e s	253,876	253,876
Provisions - Free Tea	1,378,348	1,378,348
Provision - Differed Expenditure	25,000	25,000
Provision-Vahaner Pump House	263,250	263,250
Provisions - Losses and Damages	264,700	264,700
Provisions- Surcharges CEB	231,282,413	231,282,413
Provision for Labour Filter Plant & VPH	209,836	209,836
Accrued Salaries and Wages	26,281,819	26,281,819
Unclaimed Payments	779,708	779,708
Composition - Duty Stamps	12,375	12,375
Sundry Creditors - Personnel Emoluments	11,087,261	11,087,261
Unpaid Gratuity	152,465	152,465
Staff Creditors	122,742	122,742
Refund of Employees Trust Fund	2,882	2,882
Unpaid - National Apprentice Allowance	6,176	6,176
Creditors Control - Waste Paper	2,304,974	2,304,974
Sundry Creditors - Payments & Others	1,681,453	1,681,453
B/C/F	1,162,863,590	1,159,435,039

NOTES TO THE FINANCIAL STATEMENTS

	2016 Rs.	2015 Rs.
14.1) Other Payables		
B/B/F	1,162,863,590	1,159,435,039
Sundry Creditors - Stock Control	(1,776,949)	(1,776,949)
Medical Scheme	842,074	842,074
Workmen Compensation Fund	4,051,385	4,051,385
Staff Security	4,087	4,087
Welfare Society Discount Received	59,239	59,239
Deposit - Contractors	77,400	77,400
Security Deposit Casual	10,000	10,000
Deposit - Inner Canteen	25,600	25,600
Deposit - Tender	2,117,346	2,117,346
Defence Levy	2,000	2,000
Stores Excess	8,789	8,789
Rent & Electricity CEB	536,821	536,821
Insurance Motor Vehicle	41,906	41,906
Pre Paid T/Phone Rent & Licence Frees	50,991	50,991
Deferred Expenditure Subsidy on Cloth	68,068	68,068
Welfare Society Fund	17,300	-
	1,168,999,647	1,165,553,796

14.2) Statutory Payables		
NBT Payable	3,826,890	3,812,374
ESC Payable	807,583	807,583
Income Tax Payable	3,291,167	3,291,167
PAYE Tax Payable	80,135	30,988
Stamp Duty Payable	116,528	66,653
VAT Payable	37,427,181	37,884,419
	45,549,485	45,893,185

15) Payables to Government		
Balance as at 01.04.2015	100,681,254	88,486,727
Add :- Gratuity	32,327,589	46,257,769
	133,008,843	134,744,497
Less :- Retirement Gratuity Fund	(34,063,242)	(34,063,242)
Balance as at 31.03.2016	**98,945,600**	100,681,254

16) Bank Overdraft		
Peoples Bank - 210899	500	20,961
Peoples Bank - 210898	2,532	7,694
Bank of Ceylon - 164807	245,285	2,963,156
Cash at People's Bank, Valaichchenai	13,153,218	13,153,218
	13,401,535	16,145,030

NPCL

National Paper Company Limited

No: 61, Stratford Avenue, Colombo 05