Paranthan Chemicals
Company Limited

2021
Annual Report

Contents

The Organization

Paranthan Chemicals Company Limited is a State-owned Company performing its activities under the purview of Ministry of Industries Commerce. The Company operates under the provisions of the Companies Act No 7 of 2007. The Company is also required to adhere to Good Governance, Accountability and other Policy decisions imposed by the Government.

The Company's main function is to import and supply liquid Chlorine, Caustic Soda, and Hydrochloric Acid as main chemical component needed by the local industry. The Company is the main supplier of liquid Chlorine in the market and acquires a reasonable segment of market share in other chemical requirements.

Among the initial Factories set up in the 1950 decade, Paranthan Chemicals Factory was established in 1954 as Government Chemicals Factory at Paranthan in Kilinochchi District in the Northern Province. This factory had been brought under the name of Paranthan Chemicals Corporation in 1957 by the State Industrial Corporation Act no 49 of 1957.

This Factory manufactured Caustic Soda, Liquid Chlorine as main products and Hydrochloric Acid, Zinc Chloride and Table salt as by-products, using local raw materials. At present, the Company imports liquid Chorine in 900 Kg cylinders and refill in to 68 Kg cylinders at the refilling unit of the Company and Supply to certain sites of Water Supply and Drainage Board and some small-scale industrialist whose requirements are fulfilled by the Company.

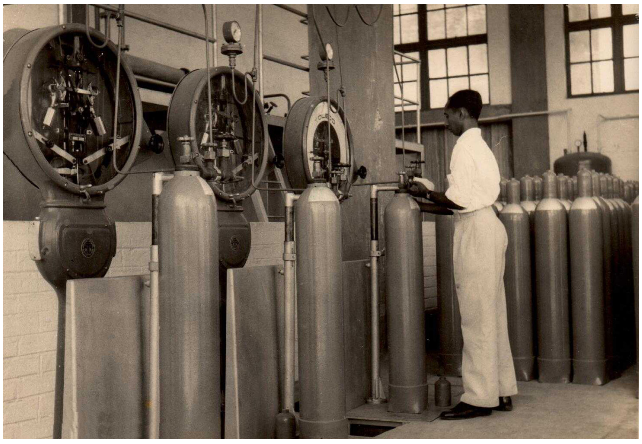
Due to the terrorist activities started in 1983, the operations of the Paranthan Factory could not be carried out from the year 1985 onwards and because of that the company had to import Caustic Soda and Chlorine for the various applications in manufacturing soap, paper, and textiles & for purifying water. Presently, country's requirement of chemicals is met by imports. A large sum of foreign exchange has to be incurred for this purpose. This has resulted in non-utilization of local raw materials and skilled labour, mostly due to inactivation of the Chemical Factory.

After the destruction of the Factory at Paranthan, the employees attached to Paranthan factory had been awarded compensation. Accordingly, Paranthan Chemicals Company was incorporated on 17th January 1991 as a Public Limited Liability Company under the Conversion of Public Corporations or Government owned Business Undertakings into Public Companies Act No.23 of 1987. Main activities of the Corporation at present are import and sale of liquid Chlorine, Caustic Soda Flakes and Hydrochloric Acid.

Paranthan Chemicals Company Limited is a profit-making institution and in addition to the trading, the company is involved in refilling of Liquid Chlorine into the lower capacity cylinders. The Company maintains a quality control and quality assurance scheme especially in respect of importation of cylinders and refilling. The Company has the best expertise in respect of Chlorine sector and the Company is enriched with experts and knowledgeable staff in this concern.

The Company's Head Office and stores is situated at No. 100/25, Sri Ramanathan Mawatha, Colombo 13. Land extending to 227 acres at Paranthan is reserved for construction of the new chemical factory. The land at Kalutara industrial zone extending 2 acres which had been used for refilling Chlorine and related activities is now expected to use for some new Industrial application. The total employment of the Company as of 31st December 2021 was 51. The Company has been making regular tax payments over the past several years and continued to earned profits and ensured steady expansion.

Old Factory at Paranthan



Chemical Industry in Sri Lanka and Major Challenges

The chemical industry of Sri Lanka consists of major sectors namely,

- Agro chemicals.
- Industrial chemicals.
- Rubber Chemicals.
- Coating chemicals.
- Plastic related Chemicals.
- Food and Seeds Chemicals and
- Personal Chemicals.

As a country Sri Lanka consumes a larger quantity of chemicals and almost the entire requirement is being imported annually.

Paranthan Chemicals Company Ltd is mainly engaged in the supply of liquid Chlorine for water purification and input chemicals for various industries such as rubber and cold room applications.

The size of the total market perceptions relevant to Paranthan Chemicals Company Limited is estimated to Rs.1.6 billion per annum. Presently the total contribution of the Company to the overall chemical Industry is expected to be increased enabling the Paranthan Chemicals Company Limited to become a major player during the period of next five years.

The Paranthan Chemicals Company Limited being a statutory body with 100% Government ownership and regulatory powers are expected to achieve the envisaged goals and objectives within the period set out in the Corporate Plan which is operational for 2020 - 2022.

Corporate Information

Legal Form	Public Limited Liability Company incorporated in 1991, in terms of the Companies Act 17 of 1982 and later reregistered under the Companies Act No. 7 of 2007. This has been carried out in keeping with the provisions of Public Companies Act No. 23 of 1987 for conversion of public corporations or Government Owned business undertakings into public companies. The powers and functions vested in the Paranthan Chemicals Corporation statute were re-assigned to the Paranthan Chemicals Company Limited by the Memorandum and Articles of Association.
Date of Incorporation	Established in 1957. Re-incorporated on 17th January 1991.
Address	Head Office 100/25, Sri Ramanathan Mawatha, Colombo 13, Sri Lanka Kalutara Fullerton Industrial Estate, Nagoda, Kalutara, Sri Lanka Wagawatta BOI Zone, Wagawatta, Horana, Sri Lanka
Telephone	Head Office +94 112437831, +94 112437556 Kalutara +94 342289976 Wagawatta +94 343442924
Email	info@pccl.gov.lk
Website	pccl.gov.lk
Principal Bankers	People's Bank
Statutory Auditors	Auditor General Department

Chairman	Mr. R. K. U. Ranaweera	- Appointed on 16th January 2020
Board of Directors	Mr. W. U. Perera	- Appointed on 16th January 2020
	Mr. A. D. S. K. Nandasiri	- Appointed on 16th January 2020
	Mr. L. U. P. Wickramasinghe	- Appointed on 16th January 2020
	Mr. S. Amaraweera	- Appointed on 16th January 2020
	Mr. D. K. Sumanadasa	- Appointed on 16th January 2020
	Mrs. C. H. Ranatunga	- Retired on 15th September 2021
	Mrs. J. P. Priyangani	- Appointed on 16th September 2021

Secretary to the Board	Mr. H.L. Vipula Silva
Principal Officers	Lieutenant Commander Jeewananda Wijesundara, Retired Sri Lanka Navy, General Manager Mr. Tissa Liyanage, Deputy General Manager (Engineering)
Internal Auditor	Thilak Jayathilaka & Co. Chartered Accountants Appointed on 01st January 2021

Vision and Mission Statements and Goals and Objectives

Vision

To be the leader of chemical manufacturing and trading industry in the Country with the state sponsorship enabling to impose and ensure role of market leader and regulatory powers in the future.

Mission

To facilitate to improve the standard of local manufacturing industries by providing quality locally manufactured or imported chemical-based process inputs.

Goals

- To become the major market player in the chemical market in Sri Lanka.
- Recommencing of Caustic Soda / Chlorine plant in Paranthan, Setting up of Bleaching powder and Sulphuric Acid manufacturing plants.
- To Improve and ensure employee satisfaction and obtain dedicated service to the company.
- To overcome the shortage of physical resources of the company.

Organizational Objectives

In terms of the Articles of Association of the Company, the primary objectives of the Company are as follows.

Primary Objectives

"To succeed to and carry on the business now carried on by the Paranthan Chemicals Corporation established by the order made under section 2 of the Government Sponsored Corporation Act No. 19 of 1955 and published in Gazette Extraordinary No. 10898 of March 1, 1956, and subsequently amended by the order under section 2 of the State Industrial Corporation Act. No. 49 of 1957, and published in Gazette No. 11, 632 of January 1, 1959, and in particular,

a. To succeed to the ownership of all property movable and immovable owned and used by the said Paranthan Chemicals Corporation.

b. To succeed to all rights including patent rights, powers, privileges and interests arising in or out of such property of the said Paranthan Chemicals Corporation.

c. To succeed to all the liabilities of the said Paranthan Chemicals corporation.

d. To receive and maintain all books, accounts and documents relating or pertaining to the business of the said Paranthan Chemicals Corporation.

e. To succeed to all contracts and agreements entered into for the purposes of the business of the said Paranthan Chemicals Corporation.

f. To succeed to all actions and proceedings instituted by or against the said Paranthan Chemicals Corporation.

g. To promote and establish a share trust under the laws of Sri Lanka enabling the employees of the Company to apply for and purchase, or otherwise acquire shares issued by the Company.

To carry on the business of:

I. manufacture and sale of Caustic Soda, Chlorine, Sulphuric acid, Fatty alcohols, Fertilizers, Insecticides, Fungicides, Pesticides, Agricultural chemicals and Detergents of every description, and other chemicals.

II. Development, manufacture, and sale of any by-products such as Hydrochloric Acid, Zine chloride, Ferric Chloride, and Table salt which may be produced in the process of manufacturing of any of the articles specified above.

III. Import and sale of any of the products specified above.

IV. Chemical manufactures and wholesale and retail chemists and druggists, analytical chemists, dry salters, importers, exporters and manufactures of and dealers in plastics, synthetic and other fibres, heavy and light chemicals, drugs, essences, cordials, acids, alkalis, pharmaceutical, medicinal, chemical, industrial and other preparations and articles of any kind whatsoever, mineral and other waters, explosives, ammunition and other explosive products and accessories of all kinds of fertilizers, vermifuges, fungicides, cements, oils, paints, pigments and varnishes, drug, paint and colour grinders, makers of and dealers in proprietary articles, of all kinds and of electrical, chemical, photographical, surgical and scientific apparatus and materials and in any similar or allied businesses and either in connection with the said business or as distinct or separate businesses.

Main Activities at Present

Main activities of Paranthan Chemicals Company Ltd are import and sale of liquid Chlorine, Caustic Soda Flakes and Hydrochloric Acid.

Chairman's Review

Paranthan Chemicals Company Limited is State-owned profit-making Company functioning under the Ministry of Industry and Commerce. As a professionally managed enterprise involved in Chemical production, import and distribution, the company plays an important role in ensuring availability of Chemicals needed for water purification and local manufacturing industries. The national goals of the Company include fostering a safe and healthy national, ensuring active presence of the government in primary chemicals sector and identifying best practices in chemicals handling.

At present the company is the main supplier of Liquid Chlorine in the national market and has acquired a reasonable segment of market share in other chemicals as well. As a Company with a history of producing Caustic Soda, Chlorine and other related chemicals adding value to domestic salt production, Paranthan Chemicals Company is expected to re-establish the factory in Paranthan.

In recommencing the factory, it does need to ensure that it will be sustainable within the current policy environment. Overall management and engineering experience gained, and the goodwill acquired for its brand name, will be the foundation for future expansion. It has a will and capacity for such development within the current enabling environment.

It is very worthy to mention that the Company is running with a profit and all expenditures including salaries and other allowances are being paid by its own funds. Annual contribution is also paid to the General Treasury as dividends. Further a comprehensive medical health insurance scheme is being implemented for the benefit of the staff.

This Annual Report including vital information on important tasks carried out by the Company during the year 2021. It also sheds light on the capacities of the Company and existing challenges so as to meet them in an attempt to achieve further development.

Acknowledgement

I wish to express my deep gratitude to the His Excellency the President, Hon. Prime Minister, Hon. Minister, Hon. Deputy Chairman, Secretary to the Ministry and the staff of the Ministry of Industries and Secretary to the General Treasury for their cooperation and the assistance extended to the Company and to me in order to discharge duties and responsibilities.

My gratitude is also extended to the External Auditors Auditor General Department. and Internal Auditor Thilak Jayathilaka & Co. for their services. My gratitude also due to, my Senior Management, Staff, and all employees of the Company for their hard work and devoted service, which enabled the Company to ensure uninterrupted continuity in the process and the positive trend leads towards success.

It should be noted that Company would not have survived without the exemplary support of our valued customers. My appreciation goes to them as well and all the others who support directly and indirectly looking forward for their undivided support and services in the year 2021 as well.

Upul Ranaweera

Chairman

Paranthan Chemicals Company Limited.

General Manager's Review

The main activities of the Company and revenue sources during the year 2021 are confined to sale of liquid Chlorine, Caustic Soda and Hydrochloric Acid. The turnover of the year under review is Rs.395 million which is 30% Increase than the previous year. But the Company could reach only profit before taxes of Rs.138 million which is slightly lower than the previous year due to low interest rates received on Deposits during the year under review.

This year also the Company's total income has received from the trading activities mainly from liquid Chlorine and the expected result of Caustic soda and Hydrochloric acid, could not be achieved. The market competition due to lower prices competition has been the main reason for the said back.

After the Chlorine leak in the Kalutara site on 20th April 2012, the Company could not settle down the manufacturing of new products and refilling of Chlorine operations in a Company owned land with adequate space. Due to the limited space, the planned new products such as Bleaching liquid, bleaching powder could not be achieved in the year 2014. A limited quantities of bleaching liquid were manufactured at a contractor's location at Horana and expansion was difficult due to the limited space in the location.

Action Taken on Safe Usage of Chlorine

After the incident, the Company has made an in-depth analysis on the risk factors of Chlorine handling from the importation up to end user. The steps of safety measures have been identified including precautionary steps. In the latter part of the year 2013, company was able to obtain 2 1/2 acres land in the Board of Investment industrial Zone wagawatta, Horana and were able to construct warehouse buildings with the Latest scrubber system. It is also expected to complete the construction work of our chlorine refilling plant at wagawatta, Horana with the latest accepted systems and fulfil the Country's requirement of Liquid chlorine and related Chemicals with Bleaching Liquid and Bleaching Powder and as a result to increase the production and sales volumes.

All 900 Kg cylinders are properly examined by the suppliers and tested in compliance with International Standards and certified by the authorities of the respective countries. 68 Kg cylinders are tested locally for this purpose. The Company has obtained the public liability insurance cover for Rs.100.00 million to cover the Public from any probable hazards due to the entire Chlorine operation. In addition, training programmes have been conducted on usage of Chlorine for Company employees and employees of Water Board sites and other chlorine users and introduced new safety Kits to mitigate the risk involved.

Finance Division

The Finance Division of the Company consists of one executive and five management assistant grade employees. During the year under review the Finance Division assisted in formulating strategies in terms of the short term and the loan term investments and corporate planning. Reporting of the information relevant to the up-to-date progress of the Company to the Board of Directors and the line ministry and the Treasury were some of key functions carried out by the Division on time. In order to achieve the expected level of the profitability, the finance Division assisted and guided the other divisions whenever it was required. Adhering to the internal controls of the Company, meeting statutory requirements on time, proper relationship with the external entities also contributed the overall achievement of the company in the financial year 2014.

Marketing Division

The sales and the distribution activities of the Company are handled by the marketing division. The division is headed by the Assistant General Manager (Marketing) and assisted by three management assistant grade employees. The Division mainly markets liquid Chlorine, Caustic Soda, Hydrochloric Acid and Bleaching liquid to the local market. The products demand with the customers is properly analysed and maintain the stocks levels adequately. Competitive prices are checked periodically and adjust Company prices accordingly.

Supplies Division

The Supplies Division is mainly involved in the procurement process of the Company. The division consists of One executive Officer and five management assistants. During the year under review, the division has been able to negotiate with the suppliers and got lower prices for the imports. This has positively contributed the profitability of the Company.

Administration Division

The Administrative Division of the Company is one of the largest divisions of the Company which consist of Twenty-seven Employees. The division is Consists of Three Senior Executives, Four Middle Executives and assisted by Three Management Assistant and Seventeen Manual and Operational grade employees. The division manages the overall administration functions of the company which includes maintenance of up-to-date records relevant to the statutory payments of the employees, day to day attendance records, preparation and coordination of correspondences with stake holders, handling transport activities, and maintenance of building and premises.

Refilling Unit at Horana & Kalutara

Refilling unit Horana and Kalutara consist of Two Executives, Six Management Assistants One foreman and twelve Manual and operational grade employees and maintain under the supervision of Deputy General Manager (Engineering). The division managers the overall maintenance work of 68Kg capacity cylinders, conduct training programmes, assembling of safety equipment's. During the year 2014, the unit performed very satisfactorily.

Acknowledgement

General Manager of the Company, I know first-hand how much of our success is due to the Capability and the commitment of our staff.

I take this opportunity to express my gratitude and sincere thanks to the Chairman & Board Directors for their unstinted support given to the Company and thank to all my Company Staff for their hard work, talents, their creativity, and discipline delivered in a challenging environment.

Lieutenant Commander Jeewananda Wijesundara

Retired Sri Lanka Navy

General Manager

Paranthan Chemicals Company Limited

Report of the Board of Directors

The Board of Directors of Paranthan Chemicals Company Limited hereby presents Annual Report and Accounts together with the Audited Financial Statements for the year ended 31st December 2021.

Introduction

Paranthan Chemicals Company Limited was incorporated on 17th January 1991 as a Public Limited Liability Company under the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No. 23 of 1987, to carry on the business that was carried out by Paranthan Chemicals Corporation.

Principal Activities

The principal activities of the Company are import and sale of Liquid Chlorine, Caustic Soda and Hydrochloric Acid and refilling of Liquid Chlorine from 900 kg. Cylinders to 68 kg. Capacity Cylinders at Chlorine Refilling Unit at Horana.

Review of Business

The Chairman's statement describes in detail the year's operation of the Company. This report forms an integral part of the Report of the Directors.

Board of Directors

Current Board of Directors of the company as of 31st December 2021.

1. Mr. R. K. U. Ranaweera
   Chairman and Director (Executive)
2. Mr. W. U. Perera
   Non-Executive Director
3. Mr. A. D. S. K. Nandasiri
   Non-Executive Director
4. Mr. L. U. P. Wickramasinghe
   Non-Executive Director
5. Mr. S. Amaraweera
   Non-Executive Director
6. Mr. D. K. Sumanadasa
   Non-Executive Director
7. Mr. J. P. Priyangani
   Non-Executive Director

Board Meetings

The company conducts monthly board meetings and, where necessary special board meetings are convened in order to transact special business. During the year ended 31st December 2021, 28 meetings of board were held.

Board Meeting Attendance 2021

Name of Director	Number of Meeting Attended
Mr. R. K. U. Ranaweera Chairman & Director - Executive	28
Mr. W. U. Perera Non-Executive Director	28
Mr. A. D. S. K. Nandasiri Non-Executive Director	28
Mr. L. U. P. Wickramasinghe Non-Executive Director	28
Mr. S. Amaraweera Non-Executive Director	28
Mr. D. K. Sumanadasaa Non-Executive Director	28
Mrs. C. H. Ranatunga Non-Executive Director	20
Mrs. J. P. Priyangani Non-Executive Director	08

Directors Interests in Contracts

Mr. R. K. U. Ranaweera, Mr. W. U. Perera, Mr. A. D. S. K. Nandasiri, Mr. L. U. P. Wickramasinghe, Mr. S. Amaraweera, Mr. D. K. Sumanadasa and Mrs. J. P. Priyangani were the Directors of the company as at 31st December 2021. They have confirmed that they did not have any interest in contract with the company.

Statement on Directors' Responsibility

The Directors of the Company are responsible to ensure compliance with the provisions of the Companies Act No. 07 of 2007 and applicable laws and other regulations in preparing the Company's Financial Statements.

The Directors are equally responsible for maintaining accounting records of the Company with reasonable accuracy to disclose the financial position.

The Directors accept the responsibility for the integrity and objectivity of the Financial Statements presented and confirms compliance in preparing Company's Financial Statements, which are based on:

- Sri Lanka Accounting Standards and Sri Lanka Financial Reporting Standards issued by the Institute of Chartered Accountants of Sri Lanka.
- Appropriate Accounting policies are selected and applied consistently.

- Estimates and judgments relating to the Financial Statements made on a prudent and reasonable basis to reflect the true and fair view of the Financial Statements.

Company has taken proper and sufficient internal controls measures and check systems. This is to ensure maintaining proper accounting records and for safeguarding assets. The Company's External Auditors Auditor General Department are appointed in accordance with the Resolution passed at the last Annual General Meeting. The auditors were provided with free access to undertake required inspections which they consider appropriate and necessary enabling them to form their opinion on the Financial Statements. The report of the Auditors on financial statements for the year 2021 sets out their responsibilities in relation to the Financial Statements.

Interests Register

The Interest's Register was introduced during the year 2011 and continued in 2020 as per the Companies Act No. 07 of 2007.

Remuneration of Directors

Directors' remuneration in respect of the Company for the year ended 31st December 2021 is given in Note 4 to the Financial Statements.

Statutory Payments

The Directors of the Company to the best of their knowledge and belief are satisfied that all statutory payments by way of taxes, duty on imports etc. due to Government and statutory payments relating to employees have been duly honoured by the Company.

Property, Plant and Equipment

Significant changes in Property, Plant and Equipment during the period under review are given in Note 8 to the accounts on page 29.

Auditor

The Auditor of the Company during the year under review was Auditor General Department. A provision of Rs.300,000.00 has been made in the Accounts as audit fees for the year. The Auditor did not have any relationship or any other interests with the Company that would impair their independence.

Solvency Test

Directors have made an assessment of the solvency of the Company immediately after proposed dividend and confirmed that the Company has satisfied the Solvency Test, as required by the Companies Act No. 07 of 2007.

Significant Accounting Policies

The Accounting Policies adopted in the preparation of Financial Statements are given on pages 17 to 21.

Future Forecast

The immediate plan of the company is to recommence our chlorine factory at Paranthan.

Audit Committee

The Audit Committee comprised of three non-executive members of the Board of Directors. During its sittings, the Audit Committee regularly reviewed the effectiveness of internal control systems, statutory compliances, financial statements, and Management accounts.

Appreciation

We wish to place on record our appreciation to all our customers for their continued patronage, and the members of the staff for their co-operation, commitment and hard work which helped the Company to reach and maintain its profitable status prevailing at present.

By order of the Board,

Mr. Chaminda Karunarathne

Chairman

1st February 2024

Mr. D. K. Sumanadasa

Director

Current Performance, Mid-Term Strategies and Proposed Activity Plan for Enhancing Operations in 2021

The Company has planned for a sales target of Rs.395 million and estimated profit before tax of Rs.138 million for 2021. It is planned to increase annual sales of Chlorine, Caustic Soda and Hydrochloric acid through a low-cost operation based on a proper plan which is competitive with other players in the market.

The requirement of bleaching powder hitherto, is imported. It is planned to fulfil the national demand for bleaching powder through local production, hence a factory for manufacturing Caustic Liquid is to be commenced in 2020.

The Company wishes that this process will be carried out as a part of Company's operation.

Company has been operating its Head Office in a Land belongs to the Ports Authority from the year 1976. This building is in dilapidated condition and need essential repairs or to construct new Head Office building. As the Port Authority has taken Legal action against the Company, it is planned to renovate existing building or put up a new office building in the same premises in the year 2021.

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

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1. මූල්‍ය ප්‍රකාශන

1.1 මතය

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

සමාගමේ මූල්‍ය ප්‍රකාශන තුළින් 2021 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා එහි මූල්‍ය ක්‍රියාකාරිත්වය හා මුදල් ප්‍රවාහ ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතිවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
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ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE
NAOSL

1.2 මතය සඳහා පදනම

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

1.3 සමාගමේ 2021 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු

මෙම විගණන වාර්තාවේ දිනට පසුව මට ලබාදීමට බලාපොරොත්තු වන සමාගමේ 2021 වාර්ෂික වාර්තාවේ ඇතුළත් කර ඇති නමුත් මූල්‍ය ප්‍රකාශන සහ ඒ පිළිබඳව වූ මගේ විගණන වාර්තාවේ ඇතුළත් නොවන තොරතුරු, අනෙකුත් තොරතුරු යන්නෙන් අදහස් වේ. මෙම අනෙකුත් තොරතුරු සඳහා කළමනාකරණය වගකිව යුතුය.

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

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

සමාගමේ 2021 වාර්ෂික වාර්තාව කියවන විට, එහි ප්‍රමාණාත්මක වරදවා දැක්වීම් ඇති බව මම නිගමනය කළහොත්, නිවැරදි කිරීම සඳහා පාලනය කරන පාර්ශවයන් වෙත එම කරුණු සන්නිවේදනය කළ යුතුය. තව දුරටත් නිවැරදි නොකළ වරදවා දැක්වීම් තිබේ නම්, ඒවා ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (6) ව්‍යවස්ථාව ප්‍රකාරව මා විසින් යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලබන වාර්තාවට ඇතුළත් කරනු ඇත.

1.4 මූල්‍ය ප්‍රකාශන පිළිබඳ කළමනාකරණයේ සහ පාලනය කරන පාර්ශවයන්ගේ වගකීම

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

මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේදී, අඛණ්ඩව පවත්වාගෙන යාමේ හැකියාව තීරණය කිරීම කළමනාකරණයේ වගකීමක් වන අතර, කළමනාකාරිත්වය සමාගම ඇවර කිරීමට අදහස් කරන්නේ නම් හෝ වෙනත් විකල්පයක් නොමැති විටදී මෙහෙයුම් නැවැත්වීමට කටයුතු

2

කරන්නේ නම් හැර අඛණ්ඩ පැවැත්මේ පදනම මත ගිණුම් තැබීම හා සමාගමේ අඛණ්ඩ පැවැත්මට අදාළ කරුණු අනාවරණය කිරීමද කළමනාකරණයේ වගකීමකි.

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

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

1.5 මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම

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

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

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවීමේ අවදානම් හඳුනා ගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලැසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, චේතනාන්විත මඟහැරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මඟ හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.

- අභ්‍යන්තර පාලනයේ සඵලදායිත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවූවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබාගන්නා ලදී.

- භාවිතා කරන ලද ගිණුම්කරණ ප්‍රතිපත්තිවල උචිතභාවය, ගිණුම්කරණ ඇස්තමේන්තුවල සාධාරණත්වය සහ කළමනාකරණය විසින් කරන ලද සම්බන්ධිත හෙළිදරව් කිරීම් අගයන ලදී.

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE
NAOSL

- සිද්ධීන් හෝ තත්ත්වයන් හේතුවෙන් සමාගමේ අඛණ්ඩ පැවැත්ම පිළිබඳ ප්‍රමාණාත්මක අවිනිශ්චිතතාවයක් තිබේද යන්න සම්බන්ධයෙන් ලබාගත් විගණන සාක්ෂි මත පදනම්ව ගිණුම්කරණය සඳහා ආයතනයේ අඛණ්ඩ පැවැත්ම පිළිබඳ පදනම යොදා ගැනීමේ අදාලත්වය තීරණය කරන ලදී. ප්‍රමාණවත් අවිනිශ්චිතතාවයක් ඇති බවට මා නිගමනය කරන්නේ නම් මූල්‍ය ප්‍රකාශනවල ඒ සම්බන්ධයෙන් වූ හෙළිදරව් කිරීම් වලට මාගේ විගණන වාර්තාවේ අවධානය යොමු කළ යුතු අතර, එම හෙළිදරව් කිරීම් ප්‍රමාණවත් නොවන්නේ නම් මාගේ මතය විකරණය කළ යුතුය. කෙසේ වුවද, අනාගත සිද්ධීන් හෝ තත්ත්වයන් මත අඛණ්ඩ පැවැත්ම අවසන් වීමට හැකිය.

- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත් වී ඇති බව සහ හෙළිදරව් කිරීම් ඇතුලත් මූල්‍ය ප්‍රකාශනවල සමස්ත ඉදිරිපත් කිරීම අගයන ලදී.

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

2. වෙනත් නෛතික හා නියාමන අවශ්‍යතා පිළිබඳ වාර්තාව

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

2.1.1 2007 අංක 7 දරන සමාගම් පනතේ 163 (2) වගන්තියේ සහ 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (අ) වගන්තියේ සඳහන් අවශ්‍යතාවන් අනුව, විගණනය සඳහා අවශ්‍ය සියළු තොරතුරු සහ පැහැදිලි කිරීම් මා විසින් ලබාගන්නා ලද අතර, මාගේ පරීක්ෂණයෙන් පෙනී යන ආකාරයට නිසි මූල්‍ය වාර්තා සමාගම පවත්වාගෙන ගොස් තිබුණි.

2.1.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 6 (1) (ඈ) (iii) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වේ.

2.1.3 2018 අංක 19 දරන ජාතික විගණන පනතේ 6 (i) (ඈ) (iv) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව ඉකුත් වර්ෂයේදී මා විසින් සිදුකරන ලද නිර්දේශයන් ඉදිරිපත් කරන ලද මූල්‍ය ප්‍රකාශනවල ඇතුළත්ව ඇත.

2.2 අනුගමනය කරන ලද ක්‍රියාමාර්ග සහ ලබා ගන්නා ලද සාක්ෂි මත හා ප්‍රමාණාත්මක කරුණුවලට සීමා කිරීම තුල, පහත සඳහන් ප්‍රකාශ කිරීමට තරම් කිසිවක් මාගේ අවධානයට ලක් නොවීය.

2.2.1 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (ඇ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ පාලක මණ්ඩලයේ යම් සාමාජිකයෙකුට සමාගම සම්බන්ධව් යම් ගිවිසුමක් සම්බන්ධයෙන් සෘජුව හෝ අන්‍යාකාරයකින් සාමාන්‍ය ව්‍යාපාරික තත්ත්වයෙන් බැහැරව සම්බන්ධයක් ඇති බව.

2.2.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (ඊ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව යම් අදාල ලිඛිත නීතියකට හෝ සමාගමේ පාලක මණ්ඩලය විසින් නිකුත් කරන ලද වෙනත් පොදු හෝ විශේෂ විධානවලට අනුකූල නොවන ලෙස ක්‍රියා කර ඇති බව.

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

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

3. වෙනත් කරුණු

(අ) කළුතර නාගොඩ ෆුලර්ටන් කර්මාන්තපුරයේ පරන්තන් කෙමිකල්ස් ආයතනයට අයත් අක්කර දෙකකින් යුත් ඉඩමේ ඉදිකර ඇති වර්ග අඩි 5250කින් යුත් දෙමහල් කාර්යාල ගොඩනැගිල්ලේ උඩුමහල ඉහල කළමනාකාරීත්වයට සරිලන කාමර 02ක්, රසායනාගාරයක් සහ සම්මන්ත්‍රණ ශාලාවකින් සමන්විත වන අතර දැනට කිසිඳු භාවිතයකින් තොරව හිස් දියර බෝතල් අසුරා තබන ගබඩාවක් ලෙස භාවිතා කරනු ලබයි. එම හේතුවෙන් මෙම කාර්යාල ගොඩනැගිල්ල ඌන උපයෝජිතව භාවිතාවන බව දක්නට ලැබුණි.

(ආ) වගවත්ත නැවත පිරවුම්හලේ නිෂ්පාදනය කරනු ලබන බ්ලීච්, කළුතර නාගොඩ කර්මාන්තපුරයේ පිහිටි පරන්තන් කෙමිකල්ස් අංගනය වෙත ප්‍රවාහනය කර එහි දී කුඩා බෝතල් වලට අසුරා විකුණනු ලබයි. සමාලෝචිත වර්ෂයේ දී ක්ලෝරීන් සියයට 5 ක් අඩංගු බ්ලීච් දියර ලීටර 38,725ක් සහ ක්ලෝරීන් සියයට 10 ක් අඩංගු බ්ලීච් දියර ලීටර 65,905 ක් සපයා තිබුණද නාගොඩ අංගනයේ දී විකුණනු ලබන බ්ලීච් දියර බෝතල් පිළිබඳව තොග වාර්තා කිරීම හැර වගවත්ත අංගනයෙන් ලැබෙන හා ඉතිරි තොග පිළිබඳ කිසිදු සටහනක් නොතිබුණි.

(ඇ) මෙරටට අවශ්‍ය කෝස්ටික් සෝඩා හා ක්ලෝරීන් මුළුමනින්ම ආනයනය මඟින් සපුරාගෙන තිබුණි. පරන්තන්හි පිහිටා ඇති අක්කර 227 ක භූමියේ ක්ලෝරීන් නිෂ්පාදන කටයුතු සඳහා යන්ත්‍රාගාරයක් ස්ථාපිත කිරීමට 2016 වර්ෂයේ යෝජනා කර තිබූ අතර 2021 වර්ෂය දක්වා ශක්‍යතා අධ්‍යයනය වෙනුවෙන් රු.6,469,444ක්ද පරන්තන් ඉඩම සංවර්ධනය හා ශාක වගාව

වෙනුවෙන් රු.4,693,617ක්ද ලෙස වියදම් දරා තිබුණද යන්ත්‍රාගාරය ඉදිකිරීම් කටයුතු මේ දක්වා ආරම්භ කර නොතිබුණි.

(ඇ) වසා දමා ඇති ආයතන 5කින් අයවිය යුතු රු.4,579,926ක් වූ ණය ශේෂ සහ ක්‍රියාත්මක තත්ත්වයේ පවතින ආයතනවලින් අයවිය යුතු වසර 05කට වඩා පැරණි වෙළඳ ණයගැති හා වෙනත් ණයගැති පිළිවෙලින් රු.1,413,382ක් හා 2,350,686ක් වූ ශේෂයන් අයකර ගැනීමට කටයුතු කර නොතිබුණි.

(ඉ) සම්පූර්ණයෙන් ක්ෂය වී ඇති දැනටමත් භාවිතයේ පවතින පිරිවැය රු.255,843,931 ක් වූ දේපල පිරියත හා උපකරණ වල ප්‍රයෝජනවත් ජීවිත කාලය සමාලෝචනය කිරීමට කළමනාකරණය කටයුතු කර නොතිබුණි.

(ඊ) පරන්තන් කෙමිකල්ස් සමාගමේ අනුමත ජ්‍යෙෂ්ඨ මට්ටමේ තනතුරු 10 ක නිලධාරීන් 05 දෙනෙකු පමණක් සේවයේ යෙදෙන අතර, එම පුරප්පාඩු තුළ ඇතුලත් නියෝජ්‍ය සාමාන්‍යාධිකාරී තනතුර 2019 වර්ෂයේ සිට හා සහකාර සාමාන්‍යාධිකාරී (මූල්‍ය) තනතුර 2013 වර්ෂයේ සිට 2022 ඔක්තෝබර් 30 දින දක්වා අදාල තනතුරු පිරවීමට සමාගම කටයුතු කර නොතිබුණි.

(උ) සමාලෝචිත වර්ෂයේ අයවැයගත හා තත්‍ය ආදායම පරීක්ෂාවේදී අයවැයගත ආදායමට වඩා කොස්ටික් සෝඩා, බිලිච්ං ද්‍රාවණය, හයිඩ්‍රොක්ලෝරික් ඇසිඩ් අලෙවිය අඩුවීම හේතුවෙන් රු.65,983,000ක ආදායමක් සමාගමට අහිමි වී ගොස් තිබුණි.

ඩබ්ලිව්.පී.සී. වික්‍රමරත්න
විගණකාධිපති

Statement of Comprehensive Income

	Notes	2021 Rs.	2020 Rs.
Revenue	1	395,462,175	306,585,103
Cost of Sales	2	(210,284,083)	(152,926,005)
Gross Profit		185,178,092	153,659,098
Other Operating Income	3	44,112,772	33,032,969
		229,290,863	186,692,067
Expenses			
Selling and Distribution Expenses		(929,883)	(615,044)
Administration and Establishment Expenses		(90,165,290)	(103,994,475)
		(91,095,173)	(104,609,519)
Profit from Operating Activities		138,195,691	82,082,548
Less: Finance and Other Costs	4	(14,695)	(52,808)
Net Profit Before Taxation		138,180,995	82,029,740
Taxation	5	(105,172,859)	(55,347,595)
Net Profit After Taxation		33,008,136	26,682,145
Other Comprehensive Income			
Actuarial (Loss)/Gain		(149,575)	524,120
Tax on Other Comprehensive Income		20,941	(73,377)
Total Comprehensive Income for the Year		32,879,502	27,132,888
Earnings per Share	6	8.22	6.00
Dividend per Share	7	2.50	1.75

Statement of Financial Position

	Notes	2021 Rs.	2020 Rs.
Assets			
Non-Current Assets			
Property, Plant and Equipment	8	166,546,237	267,790,774
Pre-Paid Lease Land		2,556,162	2,670,950
Capital Work-in-Progress		27,227,155	19,085,178
		196,329,554	289,546,902
Current Assets			
Inventories	9	22,991,844	19,975,939
Trade and Other Receivables		68,198,968	54,128,890
Staff and Other Debtors		17,668,692	19,130,028
Deposits, Prepayments and Advances		4,269,558	5,550,074
Short Term Investments	10	539,796,834	449,346,806
Cash and Cash Equivalents	11	89,442,303	26,041,673
Total Current Assets		742,368,199	574,173,410
Total Assets		938,697,754	863,720,312
Equity and Liabilities			
Capital and Reserves			
Stated Capital	12	40,000,000	40,000,000
Retained Earnings		325,074,484	420,024,309
Other Component of Equity	13	219,195,490	219,195,490
		584,269,974	679,219,799
Non-Current Liabilities			
Retirement Benefit Obligation	14	13,356,137	12,009,340
Deferred Tax	15	188,429,012	103,274,179
Urea Feasibility Report		35,353,000	-
		237,138,149	115,283,519
Current Liabilities			
Trade and Other Payables	16	101,292,547	55,993,823
People's Bank - Corporate Branch (004100100211301)		-	2,484,595
Current Tax Liability		15,997,084	10,738,576
Total Current Liabilities		117,289,631	69,216,994
Total Equity and Liabilities		938,697,754	863,720,312

The above statement of financial position is to be read in conjunction with the accounting policies and notes to the financial statements appearing on page 22 to 32 which form an integral part of these financial statements. I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

Head of Finance

The Board of Directors is responsible for the preparation and present of these Financial Statements. These Financial Statements were approved by the Board of Directors.

Director

Director

Statement of Changes in Equity

	Stated Capital Rs.	Other Components of Equity Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st January 2021	40,000,000	220,795,490	401,364,772	662,160,262
Adjustments in Respect of Previous Years			(73,350)	(73,350)
Dividend Paid			(10,000,000)	(10,000,000)
Sales of Vehicles		(1,600,000)	1,600,000	-
Net Profit for the Year	-	-	27,132,887	27,132,887
Balance as at 31st December 2020	40,000,000	219,195,490	420,024,309	679,219,799
Balance as at 01st January 2021	40,000,000	219,195,490	420,024,309	679,219,799
Adjustments in respect of Previous Years	-	-	1,345,119	1,345,119
Adjustments in respect of Previous Years			(7,905,600)	(7,905,600)
Adjustments in respect of Previous Years			(118,268,846)	(118,268,846)
Dividend Paid	-	-	(3,000,000)	(3,000,000)
Net Profit for the Year	-	-	32,879,502	32,879,502
Balance as at 31st December 2021	40,000,000	219,195,490	325,074,484	584,269,974

Statement of Cash Flow

		2021 Rs.	2020 Rs.
Net Profit Before Taxation		138,180,995	82,029,740
Adjustment For:			
Depreciation		13,827,632	21,172,167
Interest income		(29,359,130)	(29,760,970)
Land Amortization		114,788	114,788
Provision for Bad & Doubtful debts		-	-
Provision for Gratuity		2,294,922	2,415,494
Staff Loan Interest expenses		-	706,748
Operating Profit before Working Capital Changes		125,059,208	76,677,967
(Increase) / Decrease in Inventories		(3,015,905)	5,504,290
(Increase) / Decrease in Trade & Other Receivables		(15,186,114)	(7,308,479)
(Increase) / Decrease in Staff & Other Debtors		1,332,059	1,740,984
(Increase) / Decrease in Deposits, Prepayments & Advances		1,280,516	(324,512)
Increase / (Decrease) in Trade & Other Payables		39,908,267	5,529,784
		24,318,823	5,142,067
Operating Profit after Working Capital Changes		149,378,031	81,820,034
Income Tax Paid		(14,738,576)	(9,526,801)
Gratuity Paid		(1,097,700)	(847,116)
Cash Generated from Operating Activities		133,541,755	71,446,117
Cash Flows from Investing Activities			
Interest Income		28,243,094	25,577,836
Purchase of Property, Plant & Equipment		(30,854,078)	(662,496)
Proceeds from Sale of Property, Plant & Equipment		-	1,827,000
Capital Work-in-Progress		(6,948,520)	(11,090,634)
Cash Used in Investing Activities		(9,559,503)	15,651,706
Cash Flows from Financing Activities			
Cash Grant for Urea Feasibility Report		35,353,000	
Dividends Paid		(3,000,000)	(10,000,000)
Cash Used in Financing Activities		32,353,000	(10,000,000)
Net Increase in Cash & Cash Equivalents		156,335,252	77,097,823
Cash & Cash Equivalents at the Beginning of the Year		472,903,885	395,806,063
Cash & Cash Equivalents at the End of the Year	Note A	629,239,137	472,903,885

Note A

Cash & Cash Equivalents Balance at the end of the Year is made up of.

Fixed Deposits - People's Bank (004-60-01-00011894-8)	51,738,105	49,199,869
Fixed Deposits - People's Bank (004-60-01-00011934-0)	58,609,503	55,941,508
Fixed Deposits - People's Bank (004-60-01-00011500-4)	15,256,745	14,508,260
Fixed Deposits - People's Bank (004-60-01-00010701-3)	7,937,050	7,561,654
Fixed Deposits - People's Bank (004-60-01-00010985-0)	15,577,006	14,840,265

	2021 Rs.	2020 Rs.
Fixed Deposits - People's Bank (004-60-01-00011157-0)	15,650,432	14,882,633
Fixed Deposits - People's Bank (004-60-01-00011292-6)	15,261,257	14,539,450
Fixed Deposits - People's Bank (004-60-01-00010519-5)	16,202,226	15,426,412
Fixed Deposits - People's Bank (004-60-01-00011066-0)	15,584,476	14,838,242
Fixed Deposits - People's Bank (004-60-01-00010790-5)	7,956,076	7,570,403
Fixed Deposits - People's Bank (004-60-01-00008845-4)	10,477,09	10,000,000
Fixed Deposits - People's Bank (004-60-01-00012182-7)	14,318,866	13,675,199
Fixed Deposits - People's Bank (004-60-01-00012276-4)	14,429,313	13,721,420
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Fixed Deposits - People's Bank (004-60-01-00013289-7)	40,072,157	38,094,923
Fixed Deposits - People's Bank (004-60-01-00013948)	24,917,288	23,709,618
Fixed Deposits - People's Bank (004-60-01-00014243-0)	11,866,022	11,304,798
Fixed Deposits - People's Bank (004-60-01-14426-9)	11,794,127	11,215,515
Fixed Deposits - NSB (2/0087/14/44042)	11,491,595	10,968,351
Fixed Deposits - NSB (2/0087/14/45413)	11,454,152	10,932,613
Fixed Deposits - NSB	10,608,010	10,125,000
Fixed Deposits - NSB	10,477,049	10,000,000
Fixed Deposits - NSB	10,477,049	10,000,000
Fixed Deposits - NSB	10,347,703	-
Fixed Deposits - NSB	10,457,588	-
Fixed Deposits - NSB	36,591,271	-
Fixed Deposits - NSB	10,356,654	-
	539,796,834	449,346,807
People's Bank - Corporate Branch (004100100211301)	18,935,883	(2,484,595)
People's Bank - Money Market	70,428,764	25,964,758
People's Bank - Bombuwala Branch (039200170211301)	3,698	6,022
People's Bank- Horana Branch (041200130211301)	72,763	5,922
Petty Cash	1,195	64,971
	89,442,303	23,557,078
	629,239,137	472,903,885

Notes to the Financial Statements

1. Corporate Information

1.1. Reporting Entity

Paranthan Chemicals Company Limited is a Limited Liability Company Incorporated and domiciled in Sri Lanka. The Registered Office of the Company and the principal place of business is located at No.100/25, Sri Ramanathan Road, Colombo 13.

1.2. Approval of Financial Statements

The Financial Statements are authorized for issue by the Board of Directors on 25/11/2022.

1.3. Number of Employees

The number of employees of the Company at the year-end was 51. (In 2020 - 56)

1.4. Principal Activities and the Nature of Operations

The principal activities of the Company are Imports and Sale of Chemicals. There were no significant changes in the nature of the principal activities of the Company during the financial year under review.

1.5. Statement of Compliance

The Financial Statements which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows, together with the accounting policies and notes (the "Financial Statements") have been prepared in accordance with the new Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 7 of 2007.

1.6. Responsibility for Financial Statements

Management acknowledges the responsibility for true and fair presentation of the Financial Statements in accordance with the Books of Accounts and Sri Lanka Accounting Standards (SLFRS 01)

2. Basis of Preparation

2.1. Basis of Measurement

The Financial Statements have been prepared on an accrual basis under the historical cost convention, except for revalued Assets.

2.2. Presentation and Functional Currency

The Financial Statements are presented in Sri Lankan Rupees, the Company's functional and presentation currency, which is the primary economic environment in which the Company operates.

3. Accounting Policies

3.1. Changes in Accounting Policies

There were no changes to the accounting policies set out below and consistently applied to all financial periods presented in these Financial Statements, unless otherwise indicated.

Comparative information

The accounting policies have been consistently applied by the Company 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 confirm to the current year's presentation.

3.2. Significant Accounting Judgements, Estimates And Assumptions

The preparation of the Financial Statements of the Company requires the management to make judgments, estimates and assumptions, which may affect the amount of income, expenditure, assets, liabilities, at the end of the reporting period. In the process of applying the Company's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Revaluation of Property, Plant and Equipment

The Company measures Property, Plant and Equipment at revalued amounts with changes in fair value being recognized in the Statement of Equity. The Company engaged independent valuation specialists to determine fair value and certain identified Property, Plant and Equipment as of 31st December 2010.

Taxes

The Company is subject to Income Tax and other taxes including VAT and NBT. Significant judgment was required to determine the total provision for current, deferred, and other taxes pending the issue of tax guidelines on the treatment of the adoption of SLFRS in the Financial Statements and the taxable profit for the purpose of imposition of taxes. Uncertainties exist with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these Financial Statements.

Impairment of Tangible Assets

The assessment of impairment in tangible assets includes the estimation of the value in use of the asset computed as the present value of the best estimates of future cash flows generated by the asset adjusted for associated risks. This estimation has inherent uncertainties. Impairment losses, if any, are charged to the income statement immediately.

4. Summary of Significant Accounting Policies

4.1. Foreign Currency Translation

Transactions in overseas currencies are translated into Sri Lankan Rupees at the exchange rate ruling at the date of the transaction. All monetary assets and liabilities in foreign currency at year end are translated at the rate prevailing at the balance sheet date. Non-monetary items which are carried in terms of historical cost or fair value denominated in foreign currency are translated using the exchange rate prevalent at the date of transaction. The resulting gains or losses on transactions are dealt with in the Income Statement.

4.2. Tax

Current Tax

The provision for income tax is 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 amendments thereto.

Deferred Tax

Deferred Taxation is provided, based on the liability method, on the temporary differences at the balance sheet date between the carrying amount of the assets and liabilities for financial reporting purposes and the amounts used for the tax purposes. The balance in the deferred taxation account represents income tax applicable to the difference between the written down values for tax purposes of the assets on which tax depreciation has been claimed and the net book value of such assets, offset by the provision for retirement benefit which is deductible for income tax purposes only on payment.

Deferred assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused tax 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 profits will be available to allow all or part of the deferred tax assets to be utilized.

4.3. Property, Plant and Equipment

Basis of Recognition

Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured in accordance with LKAS 16.

Basis of Measurement

Property, Plant and Equipment are stated at Cost / Revalued value less accumulated depreciation and any accumulated impairment loss to the date of revaluation. The carrying values of Property, Plant and Equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation.

Any revaluation surplus is recognized in other Comprehensive Income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the Income Statement, in which case the increase is recognized in the Income Statement. A revaluation deficit is recognized in the Income Statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

De Recognition

Items of Property, Plant and Equipment are de-recognized upon replacement, disposal or when no future economic benefits are expected from their use. Any gain or loss arising on de-recognition of the asset is included in the Income Statement in the year the asset is de-recognized.

Depreciation

Depreciation is calculated by using the straight-line method on the cost or valuation of all Property, Plant and Equipment, other than freehold land, in order to write off such amounts over the estimated useful economic lives of such assets.

The depreciation of the re-valued Assets, is been done, item by item on the basis of remaining useful economic lifetime of Assets.

The depreciation is been done on new Assets additions, as per details shown below.

Assets	Rate % per Annum
Buildings	5.00
Motor Vehicles	25.00
Cylinder/ Containers	12.50
Tools & Equipment	12.50
Office Equipment	12.50
Furniture & Fittings	12.50
Plant & Machinery	12.50
Computer Accessories	33.33
Communication & Media Equipment	33.33
Bicycle	12.50

4.4. Financial Instruments - Initial Recognition and Subsequent Measurement

i) Financial Assets

The classification financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. The company initially measures financial assets at their fair value plus transaction cost. Trade receivables that do not contain a significant financing component for which the company has applied practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI. It needs to give rise to cash flows that are solely payments of principal and interest on the practical amount outstanding. The company's business model for managing financial assets refers to how it manages financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows or selling the financial assets or both.

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

The financial assets of the company include receivables, loans and advances to staff fixed deposits held to collect contractual cash flows, government securities, repurchase agreements and cash and cash equivalents.

The company's financial assets are subsequently measured at amortized cost upon satisfaction of both of the following conditions.

a) The financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flow and

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

Accordingly, financial assets an amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the assets is derecognized, modified or impaired.

Derecognized of financial assets

A financial asset is primarily derecognized when:

The rights to receive cash flows from the assets have expired: or

The company has transferred its right to receive cash flows in full without material delay to a third party under a "pass – through" arrangement and either.

a) The company has transferred substantially all the risks and rewards of assets, or

b) The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

When the company has transferred its right to receive cash flows from an assets or has entered into a pass-thought agreement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it was neither transferred nor retained substantially all the risks and rewards of assets, not transferred control of the assets, the company continues to recognize the transferred assets to the extent of its continuing involvement. In that case, the company also recognizes an associated liability. The transferred assets and associated liability are measured on a basis that reflects the rights and obligations that the company has retained. Continuing involvement that takes the form of a guarantee over the transferred assets is measured at the lower of the original carrying amount of the assets and the maximum amount of consideration that the company could be required to repay.

Impairment of Financial Assets

The company recognizes an allowance for expected credit losses (ECLs) for all debt instrument measured amortized cost.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral or other credit enhancements that are integral to the contractual terms.

For trade receivables, the company applies simplified approach in calculating RCLs.

Reclassification

Financial assets are measured at amortized cost as the management intents to hold these instruments to collect the contractual cash flows upon completion of the SPPI(solely Payment of principal and Interest) test and evaluation the historical data. As of 01st January 2018, the company has elected the business model of hold to collect the contractual cash flows and measured such financial at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the company changes its objective of the business model for managing such financial assets.

Consequent to the business model, the company reclassifies all affected assets prospectively from the first day of the next reporting period. Prior periods are not restated.

ii) Financial Liabilities

All financial liabilities are measured at amortized cost, except for financial liabilities at fair value through profit and loss. The company does not have financial liabilities other than payables for the year ended 31st December 2021.

4.5. Inventories

Inventories are valued at the lowest of cost and net realizable value. Net realizable value is the estimated selling price less estimated cost of completion and the estimated costs necessary to make the sale.

4.6. Trade and Other Receivables

Debtors and Other Receivables are stated at the amounts estimated to be realized net of provision for doubtful receivables.

Provision for Bad and Doubtful Debts are made as follows;

1-2 Years	25%
2-3 Years	50%
More than 3 Years	100%

4.7. Cash and Cash Equivalents

Cash & Cash Equivalents in the Statement of Financial Position comprise cash at banks and in hand for the purpose of the cash flow Statement, cash and cash equivalents consist of cash and short-term deposits also.

4.8. Defined Benefit Plan - Gratuity

Defined Benefit Plan portrays the amount of benefit an employee will receive at his retirement, usually dependent on his service at retirement. The Company is liable to pay gratuity to an employee relevant to the statute and such gratuity is an acknowledged Defined Benefit Plan. Provision is provided to meet this liability and it is reflected in the Statement of Finance Position of the Company. The cost of providing benefits under such a Benefit Plan is computed separately for each plan and calculated in line with the Projected Unit Credit method. Gains and Losses occurring during the period are charged or credited against such gratuity.

Defined Contribution Plan – Employees' Provident Fund and Trust Fund

Obligation for contributions to a Defined Contribution Plan is recognized as expense in the Statement of Comprehensive Income as incurred.

4.9. Liabilities and Provisions

Liabilities and provisions are recognized in the Statement of Financial Position when there is a present obligation as a result of a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the Creditors or within one year of the Balance Sheet date, are treated as Current Liabilities in the Balance Sheet. Liabilities payable after one year from the Balance Sheet date are treated as Non-Current Liabilities in the Balance Sheet.

4.10. Events Occurring after the Reporting Period

Events after the reporting period are those events favorable and unfavorable that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

The materiality of the events occurring after the reporting period, is considered and appropriate adjustments to or disclosures are made in the financial statements, where necessary.

4.11. Deposits on Returnable Cylinders

Deposit on Returnable Cylinders represent the cash deposits collected from distributors when issuing Returnable Cylinders by the Company. At the time of termination of a distributor the deposit is refunded in case the Returnable Cylinders were returned to the Company or the deposit was forfeited to the extent that the returnable cylinders were not returned to the Company.

4.12. Revenue Recognition

SLFRS 15 establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize.

The core principle in that framework is that a company should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services.

The following specific criteria are used for recognition of revenue:

Sale of Goods

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

Turnover Based Taxes

Turnover Based Taxes include Value Added Tax and Nation Building Tax. The company pays such taxes in accordance with the respective statutes.

Interest Income

Interest income recognized as it occurred and is included in other operating income in the statement of Comprehensive income.

Gains and Losses

Net Gains and Losses of a revenue nature arising from the disposal of Property, Plant and Equipment and other non-current assets, including investments, are accounted for in the Statement of Comprehensive Income, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Other Income

Other income is recognized on an accrual basis. Net gains and losses on disposal of property, Plant and Equipment, and other non-current assets including investments have been accounted for in profit and loss having deducted the proceeds on disposal, the carrying amount of the assets, and related selling expenses.

4.13. Expenditure Recognition

Expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earnings of specific items of income. All 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 the Statement of Comprehensive Income.

5. Directors' Interest in Contracts

Mr.R. K. U. Ranaweera, Mr. W. U. Perera, Mr. A. D. S. K. Nandasiri, Mr. L. U. P. Wickramasighe, Mr. S. Amaraweera, Mr. D. K. Sumanadasa and Mrs. J. P. Priyangani were the Directors of the Company as at 31st December 2021. They confirmed that they did not have any interest in contracts with the Company.

Notes to the Accounts

			2021 Rs.	2020 Rs.
1	**Revenue**			
	Liquid Chlorine		376,178,611	287,136,000
	Caustic Soda Flakes		3,985,150	7,464,130
	Caustic Soda Liquid		7,575,390	5,436,360
	Bleaching Liquor		6,491,942	4,274,601
	Sanitizer		1,231,081	502,545
	Hydrochloric Acid		-	1,771,466
			395,462,175	306,585,103
2	**Cost of Sales**			
	Opening Inventories		6,957,004	13,456,986
	Add: Purchases		214,140,343	146,426,023
			221,097,347	159,883,009
	Less: Closing Inventories		(10,813,264)	(6,957,004)
			210,284,083	152,926,005
3	**Other Operating Income**			
	Interest on Staff Loans		1,325,651	1,148,749
	Interest on Fixed Deposits		28,033,479	28,612,210
	Other Income		42,787,121	31,884,210
			44,112,772	33,032,969
4	**Profit From Operating Activities**		138,195,691	82,082,548
	Profit from operation is stated after charging the following expenses.			
	Depreciation		13,827,632	21,172,167
	Auditors' Remuneration		300,000	300,000
	Personnel Costs	Note 4.1	52,157,953	49,736,649
	4.1 Personnel Costs			
	Salaries, Wages, and other related expenses		49,223,194	21,172,167
	Terminal Gratuity		2,294,922	2,415,494
	Employees' Provident Fund & Employees' Trust Fund		5,355,599	5,538,462
	The above included: -			
	Directors' Emoluments (Chairman Salary)		2,415,494	2,190,511
	Directors' Fees		5,538,462	5,289,517
5	**Taxation**			
	Current Tax	Note 5.1	19,997,084	13,238,576
	Deferred Tax Charge / (Release)	Note 5.2	85,175,775	42,109,019
			105,172,859	55,347,595
	5.1 Reconciliation of Accounting Profit & Tax Profit			
	Net Profit as per Accounts		138,180,995	73,380,727
	Aggregate Disallowable Expenses		22,106,421	23,195,152
			160,207,416	96,575,879
	Aggregate Allowable Expenses		(46,810,230)	(52,212,748)

		2021 Rs.	2020 Rs.
	Business Profit	113,477,186	44,363,131
	Interest Income	29,359,130	36,371,245
	Total Statutory Income	142,836,316	80,734,376
	Tax profit	19,997,084	11,302,813
		19,997,084	11,302,813
5.2	**Deferred Tax Expenses / (Income)**		
	Deferred Tax Expenses / (Income) arising due to Timing Differences	85,154,834	18,955,798
	Tax on other comprehensive income	20,941	(66,046)
		85,175,775	18,889,752

6 Earnings Per Share

6.1 Basic Earnings per Share is calculated by dividing the net profit for a respective year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during that year. The weighted average number of ordinary shares outstanding during the year and previous years are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources, such as bonus issue.

6.2 The following reflects the income and share data used in the Basic Earnings per Share computations, for the year ended 31st December 2021

	2021	2020
Amount used as Numerators:		
Net Profit / (Loss)	32,879,502	23,977,900
Net Profit attributable to Ordinary Shareholders	32,879,502	23,977,900
Number of Ordinary Shares Used as Denominators:		
Weighted Average number of Ordinary Shares in issue		
Applicable to Basic Earnings Per Share	4,000,000	4,000,000
Earnings Per Share	8.22	6.00

7 Dividend Per Share

	2021	2020
Amount used as Numerators		
Dividend for the Year	10,000,000	7,000,000
Number of Ordinary Shares Used as the Denominators		
Ordinary Shares in issue applicable to Dividend Per Share	4,000,000	4,000,000
Dividend Per Share (Rs.)	2.50	1.75

8. Property, Plant & Equipment

Description of Assets	Cost / Valuation				Depreciation				W. D. V	W. D. V
	Balance as at 01/01/2021	Additions During the Year	Disposal	Balance as at 31/12/2021	Balance as at 01/01/2021	For the Year	On Disposal	Balance as at 31/12/2021	Balance as at 01/01/2021	Balance as at 31/12/2021
Lands	70,000,000	-	-	70,000,000	-	-	-	-	70,000,000	70,000,000
Buildings	64,275,514	-	-	64,275,514	21,542,696	3,213,776	-	24,756,471	42,732,818	39,519,043
Plant & Machinery	15,284,291	-	-	15,284,291	9,641,435	1,686,520	-	11,327,955	5,642,856	3,956,336
Furniture & Fittings	3,052,176	-	-	3,052,176	2,559,073	104,196	-	2,663,269	493,103	388,907
Office Equipment	5,608,979	-	-	5,608,979	3,312,184	441,336	-	3,753,520	2,296,795	1,855,459
Computers	5,147,283	335,360	-	5,482,643	4,580,175	340,380	-	4,920,555	567,108	562,088
Motor Vehicles	33,335,915	-	-	33,335,915	33,335,915	-	-	33,335,915	-	-
Containers & Cylinders	244,277,033	30,505,818	-	274,782,851	217,084,419	7,891,001	-	224,975,420	27,192,614	49,807,431
Tools & Equipment	1,332,188	12,900	-	1,345,088	783,994	122,614	-	906,609	548,194	438,479
Communication & Medical Equipment	480,498	-	-	480,498	434,194	27,810	-	462,004	46,304	18,494
	442,793,877	30,854,078	-	473,647,955	293,274,086	13,827,632	-	307,101,718	149,519,791	166,546,237

		2021 Rs.	2020 Rs.
9	**Inventories**		
	Trade Inventories		
	Liquid Chlorine - 900 Kg	9,571,987	9,698,778
	Liquid Chlorine - 68 Kg	773,539	218,374
	Caustic Soda Flakes	349,738	2,200,716
	Sanitizer	118,000	101,500
		10,813,264	6,957,004
	Other Inventories		
	Chlorine Valves, Spindles, Washers, Protectors, Spanners & Valves Complete	12,178,580	13,018,935
		22,991,844	19,975,939
10	**Short Term Investments**		
	Fixed Deposits - People's Bank (004-60-01-00011894-8)	51,738,105	49,199,869
	Fixed Deposits - People's Bank (004-60-01-00011934-0)	58,609,503	55,941,508
	Fixed Deposits - People's Bank (004-60-01-00011500-4)	15,256,745	14,508,260
	Fixed Deposits - People's Bank (004-60-01-00010701-3)	7,937,050	7,561,654
	Fixed Deposits - People's Bank (004-60-01-00010985-0)	15,577,006	14,840,265
	Fixed Deposits - People's Bank (004-60-01-00011157-0)	15,650,432	14,882,633
	Fixed Deposits - People's Bank (004-60-01-00011292-6)	15,261,257	14,539,450
	Fixed Deposits - People's Bank (004-60-01-00010519-5)	16,202,226	15,426,412
	Fixed Deposits - People's Bank (004-60-01-00011066-0)	15,584,476	14,838,242
	Fixed Deposits - People's Bank (004-60-01-00010790-5)	7,956,076	7,570,403
	Fixed Deposits - People's Bank (004-60-01-00008845-4)	10,477,049	10,000,000
	Fixed Deposits - People's Bank (004-60-01-00012182-7)	14,318,866	13,675,199
	Fixed Deposits - People's Bank (004-60-01-00012276-4)	14,429,313	13,721,420
	Fixed Deposits - People's Bank (004-60-01-00011798-5)	14,776,945	14,051,884
	Fixed Deposits - People's Bank (004-60-01-00012716-2)	13,906,354	13,224,295
	Fixed Deposits - People's Bank (004-60-01-00012822-3)	14,100,532	13,404,873
	Fixed Deposits - People's Bank (004-60-01-00013025-6)	27,104,234	25,609,622
	Fixed Deposits - People's Bank (004-60-01-00013289-7)	40,072,157	38,094,923
	Fixed Deposits - People's Bank (004-60-01-00013948)	24,917,288	23,709,618
	Fixed Deposits - People's Bank (004-60-01-00014243-0)	11,866,022	11,304,798
	Fixed Deposits - People's Bank (004-60-01-00014426-9)	11,794,127	11,215,515
	Fixed Deposits- NSB (2/0087/14/44042)	11,491,595	10,968,351
	Fixed Deposits- NSB (2/0087/14/45413)	11,454,152	10,932,613
	Fixed Deposits-NSB	10,608,012	10,125,000
	Fixed Deposits-NSB	10,477,049	10,000,000
	Fixed Deposits-NSB	10,477,049	10,000,000
	Fixed Deposits-NSB	10,347,703	-
	Fixed Deposits-NSB	36,591,271	-
	Fixed Deposits-NSB	10,356,654	-
	Fixed Deposits-NSB	10,457,588	-
		539,796,834	449,346,806
11	**Cash and Cash Equivalents**		
	People's Bank - Corporate Branch (004100100211301)	18,935,883	-

			2021 Rs.	2020 Rs.
	People's Bank - Money Market		70,428,764	25,964,758
	People's Bank - Bombuwala Branch (039200170211301)		3,698	6,022
	People's Bank- Horana Branch (041200130211301)		72,763	5,922
	Petty Cash		77,656	76,915
			89,442,303	26,041,673
12	**Stated Capital**			
	Represented By			
	Capital Reserve			
	Nos. 4,000,000 Ordinary Shares	Note11.1	40,000,000	40,000,000
13	**Other Components of Equity**			
	Re Valuation Reserves on Property, Plant and Equipment			
	Balance as at the beginning of the Year		219,195,490	219,195,490
	Revaluation Surplus during the Year		-	-
	Reversal of Revaluation		-	-
	Balance at the end of the Year		219,195,490	219,195,490

A Revaluation was carried out by the Government Valuation Department to ascertain the Fair Value of its Property, Plant and Equipment as at 31st December 2010. The results of such revaluation were incorporated in the Financial Statement with effect from 31st December 2010, which is a revaluation based on the valuation made by the Government Valuation Department.

Class of Asset	Net Carrying Amount as at 31-12-2010 Rs.	Revalued Amount as at 31-12-2010 Rs.	Revaluation Reserves Rs.
Lands	538,000	70,000,000	69,462,000
Plant & Machinery	181,790	1,138,000	956,210
Furniture & Fittings	1,208,140	1,925,000	716,860
Office Equipment	461,909	1,511,700	1,049,791
Computer Accessories	741,648	916,850	175,202
Motor Vehicles	192,128	12,195,037	12,002,909
Bicycle	-	2,500	2,499
Cylinders	36,892,075	173,033,000	136,140,925
Tools & Equipment	30,216	319,310	289,094
	40,245,907	261,041,397	220,795,490

		2021 Rs.	2020 Rs.
14	**Retirement Benefit Obligations**		
	Balance at the Beginning of the Year	12,009,340	11,028,082
	Charge for the year	970,640	945,259
	Interest for the year	1,324,282	1,407,235
	Provision from Comprehensive Income statement	14,304,262	13,380,576
	Provision from Other Comprehensive Income statement	-	-
	Actuarial Loss	149,575	(524,120)
	Less: Payments made during the Year	(1,097,700)	(847,116)
	Balance at the End of the Year	13,356,137	12,009,340

Defined Benefit Liability is valued as of 31st December 2015 and the principal assumption used in the valuation is as follows.

		2021 Rs.	2020 Rs.
		2021	**2020**
	Discount Rate	12%	12%
	Annual Salary Increment Rate	10%	10%
	Staff Turnover	5%	5%
15	**Differed Tax**		
	Balance at the Beginning of the Year	103,274,178	61,091,783
	Deferred Tax Charge/(Income) for the Year	85,154,834	42,182,396
	Balance at the End of the Year	188,429,012	103,274,179
16	**Trade and Other Payables**		
	Other Creditors	14,979,033	5,505,446
	Accrued Charges	41,526,164	17,633,028
	Refundable Deposits	44,787,350	32,855,350
		101,292,547	55,993,823

17 Contingent Liabilities

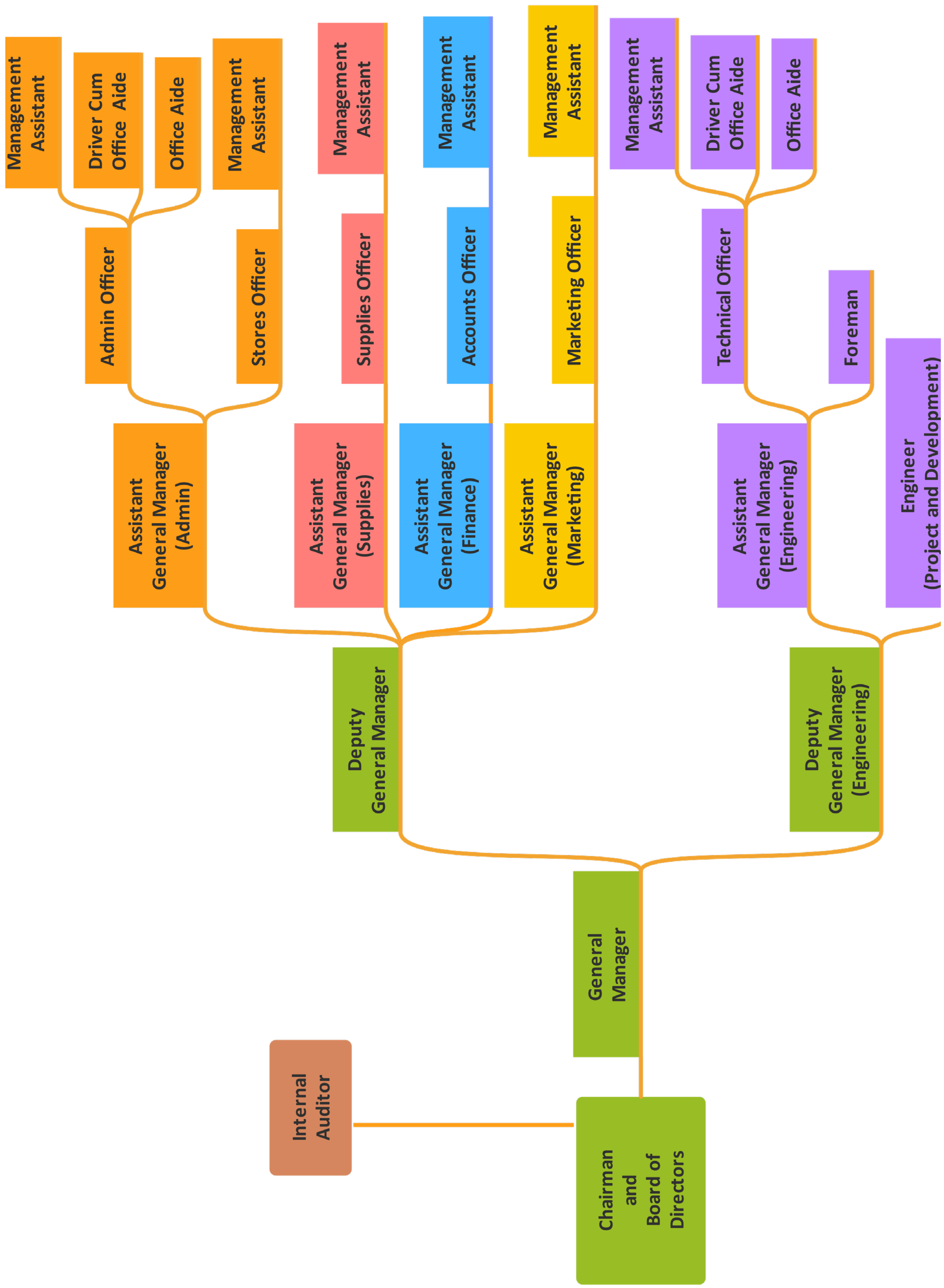
There were no material contingent liabilities as at the Balance Sheet date.

18 Events Occurring After The Balance Sheet Date

Subsequent to the date of Balance Sheet, no circumstances have arisen which would require adjustments to or disclosures in the Financial Statement.

Organization Structure

Strategic Business Units


Chairman and Board of Directors
Internal Auditor
General Manager
Deputy General Manager
Deputy General Manager (Engineering)
Assistant General Manager (Admin)
Assistant General Manager (Supplies)
Assistant General Manager (Finance)
Assistant General Manager (Marketing)
Assistant General Manager (Engineering)
Engineer (Project and Development)
Admin Officer
Stores Officer
Supplies Officer
Accounts Officer
Marketing Officer
Technical Officer
Foreman
Management Assistant
Driver Cum Office Aide
Office Aide
Management Assistant
Management Assistant
Management Assistant
Management Assistant
Management Assistant
Driver Cum Office Aide
Office Aide

Highlights / Achievements In 2020, 2021 and Budgeted for 2022

	2020 Actual Rs. '000	2021 Actual Rs. '000	2022 Actual Rs. '000
Non-Current Assets	289,547	549,030	639,163
Current Assets	574,173	375,000	450'000
Total Assets	863,720	924,030	1,089,163
Equity and Liabilities			
Capital and Reserves			
Share Holders Fund	679,220	711,030	807,119
Non-Current Liabilities	115,284	100,000	132,044
Current Liabilities	69,217	113,000	
Total Equity & Liabilities	863,720	924,030	1,089,163
Revenue	306,585	338,630	616,118
Cost of Sales	(152,926)	(141,658)	(352,870)
Gross Profit	153,659	196,972	263,248
Other Operating Income	33,033	33,750	25,000
	186,692	230,722	288,248
Profit from Operation	82,083	115,800	150,300
Profit before Tax	82,030	115,500	150,000
Profit after Tax	26,682	92,500	120,000
Earnings per Share (Rs.)	6.67	23.13	23.12
Dividends per Share (Rs.)	1.75	5.00	30

Performance Review of the Company

From the year 1975, premises situated at Sri Ramanathan Mawatha, Colombo 13, has been released to Paranthan Chemicals Company Ltd. by Sri Lanka Port Authority, on a rental basis. The Head Office of this Company is maintained at this place. The main activities done here are to import and sale of Chlorine, Caustic Soda and Hydrochloric Acid appropriate to country's requirement and market requirements. The main countries of import are India, Pakistan and Bangladesh.

As the storing of imported Chlorine in Colombo suburbs is highly complicated, Chlorine Stores Complex was maintained in Horana Industrial Zone in Kalutara District. Initially, refilling of Chlorine from 900 Kg cylinders in to 68Kg was carried out.

the profit before tax for the year 2013 is 37.16 million.

After the chlorine leak at Kalutara site in the year 2012, the company could not find suitable place to set up the refilling and other operation with adequate space. The new chemicals which had been planned in the year 2013 had to be postponed due to this reason and impacted on the profitability. But in the latter part of the year, the company could manage to get a 2.5 acres land in the Board of Investment Industrial state in Horana. It is expected to commence the new products once the unit is set up in the new location.

Considerable number of employment opportunities have been generated in association with this facility, which contributes to the development process of the country.

Cylinders were done at this place and Paranthan Chemicals Company after paying a big cost to a private institution. Therefore, according to a request made by the Company, Cabinet paper was forwarded by the then Hon. Minister of Industries, Wimal Weerawansa and the cabinet decision was affected making a reality of Saubhagya Dekma Programme of His Excellency the President, Gotabaya Rajapaksha. It was approved by the Cabinet of Ministers on 22nd November 2020 and the land to the extent of 2 acres (lot No.558 1/2 and 558 2/2) had been granted to Paranthan Chemicals Company from Fullerton Industrial Estate at Kalutara on a long-term rental basis and is operative from 29th November 2009.

Refilling of chlorine from imported 900kg capacity cylinders into 68kg capacity cylinders was launched on 01st May 2008 by the Refilling Unit of Paranthan Chemicals Company located in Fullerton Industrial Estate, Kalutara. Through this process a large amount of money that was to have gone to a private institution was retained with the Company. It has provided an especial contribution to enhance the profits of the institution. Distinctively, the Company has earned Rs.32.015 million as profit before tax for the year 2012 and

Corporate Governance

Paranthan Chemicals Company Ltd is committed to best practices in the area of Corporate Governance. Corporate Governance is an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders. Good governance facilitates effective management and control of the business, while maintaining a high level of business ethics and optimizing the value for all stakeholders. Sound Corporate Governance is reliant on external marketplace commitment and legislation plus a healthy Board culture which safeguards policies and processes. Further, an important element of Corporate Governance is to ensure the accountability of those who engaged in services in an organization.

The Corporate Governance Report, together with the Audit Committee Report & the Directors Report, provides a description of the manner and extent to which Paranthan Chemicals Company Ltd complies with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and Code of Best Practice in Corporate Governance for Public Enterprises in Sri Lanka, Companies ACT No. 07 of 2007 and Financial Regulation of Socialist Republic of Sri Lanka.

The Board of Directors

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance. It also sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met. Specific responsibilities reserved to the Board include:

- Enhance shareholder value.
- Reviewing of corporate objectives, budgets and forecasts.
- Reviewing of operational and functional performances.
- Initiating capital investment options.
- Ensuring the implementation of an effective internal control system.
- Ensuring compliance with highest ethical and legal standards.
- Approval of the Annual Financial Statements prior to publication.
- Recommending Dividends for approval by shareholder.

The Board comprises of Seven Directors out of whom five are Non-Executive Directors. The names and status of the Directors are given.

Board Meetings

The company conducts monthly board meetings and, where necessary special board meetings are convened in order to transact special business. During the year ended 31st December 2021, 28 meetings of board were held.

Board Meeting Attendance - 2021

Name of Director	**Number of Meeting Attended**
Mr. R. K. U. Ranaweera Chairman & Director - Executive	28
Mr. W. U. Perera Non-Executive Director	28
Mr. A. D. S. K. Nandasiri Non-Executive Director	28
Mr. L. U. P. Wickramasinghe Non-Executive Director	28
Mr. S. Amaraweera Non-Executive Director	28
Mr. D. K. Sumanadasaa Non-Executive Director	28
Mrs. C. H. Ranatunga Non-Executive Director	20
Mrs. J. P. Priyangani Non-Executive Director	08

Management Committee Meetings

The Executive Directors of the Board have regular meetings with the Management in each month to facilitate discussion of operational issues and finding solutions. The Management Committee at its meeting carefully pursue all policy matters and also implementation of decisions taken before they were referred to the Board of Directors for approval and ratification.

Tenure, Retirement and Re- Election of Directors

At each Annual General Meeting one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to (but not less than) one-third, retire and seek re-election by the shareholders. At the Annual General Meeting in every subsequent year one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.

Audit Committee Meetings

The Audit Committee plays a key role in reviewing the Internal Control and Check Systems that will guarantee the prevalence of effective internal controls. The Committee is comprised three non-executive members of the board and chaired by a Non-Executive Director nominated by the Treasury being the only share holder of the company. The Committee invites the representatives of the Internal Auditors, General Manager and the Members of the Corporate Management to attend meetings. The Committee constantly reviews Quarterly Internal Audit Reports, monthly progress reports, sales reports, the system and controls and makes recommendation for improvements where necessary, in addition to the introduction of new features.

The committee is responsible and report to the board regularly to strengthen the present system and procedures in relation to financial and operational activities in order to improve the efficiency and to enhance the productivity of resources for the benefit of the employees.

Audit Committee Meeting Attendance - 2021

Name of Director	Number of Meeting Attended
Mr. A. D. S. K. Nandasiri Non-Executive Director	03
Mr. L. U. P. Wickramasinghe Non-Executive Director	03
Mrs. J. P. Priyangani Non-Executive Director	01
Mrs. C. H. Ranatunga Non-Executive Director	02

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard stakeholders' investments value and the Company's assets. The Board's policy is to have systems in place which optimize the Company's ability to manage risk in an effective and appropriate manner. The Board has delegated to the Audit Committee responsibility for identifying, evaluating and monitoring the risks facing the company and for deciding how these are to be managed.

Presentation of Financial Statements and Related Transparency & Accountability

The financial statements are prepared in compliance with Sri Lanka Financial Reporting Standards (SLFRS). The external auditors are Auditor General Department. to whom all required information and records have been furnished. They were provided an environment by the senior management in which they could carry out the audit independently and enabling them to express an opinion on accounts.

Rules of Discipline

The rules of discipline are in place to guide all employees on acceptable conduct. The key elements of the Rules of Discipline are;

- Fairness, honesty and impartibility of all actions.
- Being aware of the rules and regulations and obey it.
- Confidentiality in all matters dealt with.
- Avoid conduct that is likely to reflect or affect badly on the company.

Financial Disclosures and Transparency

Financial Statements are prepared in accordance with the Sri Lanka Accounting Standards, the requirements of companies Act no 7 of 2007. M/s Auditor General Department acts as External Auditors of the Company. Auditors are allowed to act independently and without intervention from the Management or the Board of the Company, to express an opinion on the financial statements of the Company. All the required information is provided for examination to the Auditors.

Ethical Standards

The Directors believe that the maintenance of highest level of ethical conduct from employees is essential as part of practices of good governance and expects employees to act fairly, honestly and with loyalty. All employees are expected to provide the best for customers, shareholders and to the community at maximum in conducting business operations.

Statutory Payments

All Statutory Payments fallen due to the Government, have been made or where relevant provided. Retirement gratuities have been provided for in accordance with Sri Lanka Accounting Standards No.16, Employee Benefits (Revised 2006).

Accountability and Disclosure

In the year ended 31st December 2020, the members of the Board of Directors have reviewed in detail the Annual Financial Statements in order to satisfy themselves that they present a true and fair view of the Company's affairs. A summary of Director's Responsibilities in respect of Financial Statements is given on page 26.

By Order of the Board,

Paranthan Chemicals Company Ltd

H.L. Vipula Silva

Secretary to the Board

1st February 2024

Audit Committee Report

Role of the Audit Committee

The primary role of the Audit Committee, which reports its findings to the Board of Directors, is to ensure the integrity of the financial reporting and audit processes and the maintenance of sound internal controls and risk management system. The Committees` responsibilities include monitoring and reviewing the following;

- Reliability and integrity of financial statements.
- Adequacy and effectiveness of internal controls.
- Effectiveness and performance of external and internal audit functions.
- Compliance with statutory and regulatory requirement.

Composition of the Audit Committee

The Audit Committee comprises of three Non-Executive Directors and chaired by a Non-Executive Director nominated by the treasury the only share holder of the company and the board secretary as the convener. The composition of the Audit Committee is as follows;

Mrs. J. P. Priyangani - Chairman of the Audit Committee

Mr. A. K. D. Nandasiri - Member

Mr. L. U. P. Wickramasighe - Member

Meetings and Attendance

The Committee met on 4 occasions during the year 2021 and discussed the matters referred by the board of directors at their meeting. Members' attendance at these meetings is set out in the Corporate Governance Report. The Managerial officers of the company, the Internal Auditors and the inviter of the Ministry of State Resources and Enterprises Development are invited to attend meetings whenever required.

Activities

The Audit Committee discharged its duties by reviewing and discussing the Draft Accounts and External Audit Reports, the Internal Audit Reports submitted by outsourced internal auditor, Progress Reports, Sales Reports, Financial Management, Risk of Fraud and Errors and Systems Security. The Audit Committee has reviewed these reports, recommended additional controls and risk mitigation strategies that could be implemented to strengthen the existing internal control system thus minimizing the possibility of occurrence and impact of fraud, errors, operational and financial risks faced by the Company.

Internal Control System

In 2014 the Committee reviewed the results of the audits undertaken by Internal Auditors, M/S Jayathilake & Co., Chartered Accountants. The Internal Auditor (for the year 2016), considered the adequacy of management's response to the matters raised, including the implementation of any recommendations made.

Compliance

The Audit Committee assisted the Board in ensuring compliance with the statutory provisions prior to publication of timely and reliable financial reports, which were also in line with the requirements of Sri Lanka Accounting Standards, Companies ACT no. 7 of 2007, Guidelines of Department of Public Enterprises, Ministry of State Resources & Enterprise Development, Department of Inland Revenue, Employees Provident fund, Employees Trust Fund, NPA Guidelines and Government Circulars issued from time to time.

On behalf of the Committee,

J. P. Priyangani

Member of the Audit Committee

1st February 2024

Sarath Amaraweera

Member of the Audit Committee

Five Year Summary of The Financial Highlights

	2021 Rs.	2020 Rs.	2019 Rs.	2018 Rs.	2017 Rs.
Revenue	395,462,175	306,585,103	287,168,845	302,627,105	334,330,049
Cost of sales	(210,284,083)	(152,926,005)	(151,904,349)	(157,924,310)	(164,351,617)
Gross profit	185,178,092	153,659,098	135,264,496	144,702,795	169,978,432
Other operating income	44,112,772	33,032,969	38,477,530	33,279,066	28,576,511
	229,290,863	186,692,066	173,742,026	177,981,861	198,554,944
Selling & Distribution expenses	(929,883)	(615,044)	(1,494,595)	(1,066,646)	(1,379,430)
Administration & Establishment exp.	(90,165,290)	(103,994,475)	(98,614,771)	(102,402,002)	(97,143,590)
Finance expenses	(14,695)	(52,808)	(251,933)	(249,297)	(132,586)
Profit before tax	138,195,691	82,029,740	73,380,727	74,263,916	99,899,337
Taxation	(105,172,859)	(55,347,595)	(30,192,565)	(14,390,221)	(25,405,403)
Net profit for the period	33,008,136	26,682,144	43,188,162	59,873,695	74,493,934
Dividend to Shareholder	-	-	3,000,000	10,000,000	11,000,000
Assets					
Non-Current Assets					
Property plant & Equipment	166,546,237	267,790,774	288,300,442	277,034,696	295,358,631
Pre-Paid Lease Land	2,556,162	-	-	-	-
Work in Progress	27,227,155	19,085,178	7,994,545	17,156,866	7,705,010
Current Assets	742,368,199	574,173,410	497,595,389	428,844,185	378,048,948
Total Assets	938,697,754	863,720,313	793,890,376	723,035,747	681,112,590
Equity and Liabilities					
Capital and Reserves					
Stated capital	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Retained profit	544,269,974	629,219,799	622,160,262	578,566,390	529,697,079
Shareholder's fund	584,269,974	679,219,799	662,160,262	618,566,390	569,697,079
Non-current liabilities	237,138,149	115,283,519	72,119,865	55,068,753	51,205,107
Current liabilities	117,289,631	69,216,994	59,610,248	49,400,604	60,210,404
Total equity and liabilities	938,697,754	863,720,313	793,890,376	723,035,747	681,112,590

Notice of the Meeting

Notice is hereby given that the 31st Annual General Meeting of the Company will be held on 28th February 2024 at 2.00p.m. at the Head Office of the Paranthan Chemicals Company Ltd, at No: 446, Galle Road, Ratmalana.

Agenda

1. To receive and adopt the Annual Report of the Directors and Financial Statements for the year ended 31st December 2021, together with the Report of the Auditors thereon.

2. To declare a Dividend as recommended by the Directors.

3. To re-elect two Directors who retire in terms of Articles 87 & 88 of the Articles of Association of the Company.

By order of the Board

H. L. Vipula Silva

Secretary

1st February 2024

Notes:

1. A member is entitled to attend and vote at the meeting and is also entitled to appoint a person to attend and vote on his behalf.

2. A proxy need not be a member of the Company.

3. A form of proxy accompanies this report.

Paranthan Chemicals Company Limited
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