

2022

Annual Report



Paranthan Chemicals Company Limited

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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 Chlorine 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.

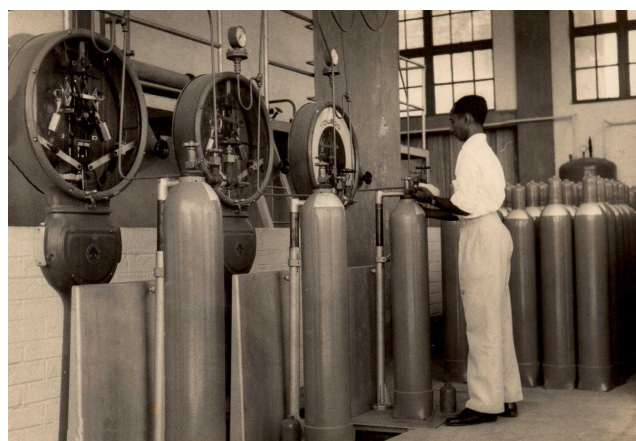
Paranthan Chemicals Company Limited is a profit-making institution and in addition to the trading, the company is involved in refilling of Liquid Chlorine into the lower

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 L3, 446, Galle Road, Ratmalana. 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 2022 was 45. 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 17 th January 1991.	
Address	Head Office L3, 446, Galle Road, Ratmalana, 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	- Retired on 11 th February 2022
	Mr. A. D. S. K. Nandasiri	- Appointed on 11 th February 2022
Board of Directors	Mr. W. U. Perera	- Appointed on 16 th January 2020
	Mr. L. U. P. Wickramasinghe	- Appointed on 16 th January 2020
	Mr. S. Amaraweera	- Appointed on 16 th January 2020
	Mr. D. K. Sumanadasa	- Appointed on 16 th January 2020
	Mrs. J. P. Priyangani	- Appointed on 16 th September 2021
	Mrs. J. P. Priyangani	- Retired on 02 nd March 2022
	Mr. T. M. D. P. Thennakoon	- Appointed on 02 nd March 2022
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)	

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, Zinc 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, photographic, 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 recommending 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.

A. D. S. K. Nandasiri

Chairman

Paranthan Chemicals Company Limited.

General Manager's Review

The main activities of the Company and revenue sources during the year 2022 are confined to sale of liquid Chlorine, Caustic Soda and Hydrochloric Acid. The turnover of the year under review is Rs.721 million which is 50% Increase than the previous year. But the Company could reach only profit before taxes of Rs.362 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 2022.

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 2022.

1. Mr. A. D. S. K. Nandasiri
Chairman and Director (Executive)
2. Mr. W. U. Perera
Non-Executive Director
3. Mr. L. U. P. Wickramasinghe
Non-Executive Director
4. Mr. S. Amaraweera
Non-Executive Director
5. Mr. D. K. Sumanadasa
Non-Executive Director
6. Mr. T. M. D. P. Thennakoon
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 2022, 20 meetings of board were held.

Board Meeting Attendance 2022

Name of Director	Number of Meeting Attended
Mr. A. D. S. K. Nandasiri Chairman & Director - Executive	20
Mr. W. U. Perera Non-Executive Director	20
Mr. L. U. P. Wickramasinghe Non-Executive Director	20
Mr. S. Amaraweera Non-Executive Director	20
Mr. D. K. Sumanadasa Non-Executive Director	20
Mrs. J. P. Priyangani Non-Executive Director	02
Mr. T. M. D. P. Thennakoon Non-Executive Director	18

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, Mrs. J. P. Priyangani and Mr. T. M. D. P. Thennakoon were the Directors of the company as at 31st December 2022. 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 2022 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 2022 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 31.

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 19 to 23.

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,



Chaminda Karunaratne

Chairman

2nd February 2024



D. K. Sumanadasa

Director

Current Performance, Mid-Term Strategies and Proposed Activity Plan for Enhancing Operations in 2022

The Company has planned for a sales target of Rs.721 million and estimated profit before tax of Rs.362 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 2022.





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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

IMT/A/PCCL/FA/2022/07

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

2023 ඔක්තෝබර් 17 දින

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පරන්තන් කෙමිකල්ස් සමාගමේ 2022 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් තෛතික හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

1. මූල්‍ය ප්‍රකාශන

1.1 මතය

පරන්තන් කෙමිකල්ස් සමාගමේ 2022 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 ප්‍රකාශන වලට අදාළ සටහන්, සාරාංශගත වැදගත් ගිණුම්කරණ ප්‍රතිපත්තිවලින් සමන්විත 2022 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 2022 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා එහි මූල්‍ය ක්‍රියාකාරිත්වය හා මුදල් ප්‍රවාහ ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතීන්ට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 මතය සඳහා පදනම

ශ්‍රී ලංකා විගණන ප්‍රමිතීන්ට (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.





ජාතික විගණන කාර්යාලය
 தேசிய கணக்காய்வு அலுவலகம்
 NATIONAL AUDIT OFFICE

1.3 සමාගමේ 2022 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු.

මෙම විගණන වාර්තාවේ දිනට පසුව මට ලබා දීමට බලාපොරොත්තු වන සමාගමේ 2022 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 2022 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 වගකීම්

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

මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේදී, සමාගම අඛණ්ඩව පවත්වාගෙන යාමේ හැකියාව තීරණය කිරීම කළමනාකරණයේ වගකීමක් වන අතර, කළමනාකාරිත්වය සමාගම ඇවර කිරීමට අදහස් කරන්නේ නම් හෝ වෙනත් විකල්පයක් නොමැති විටදී මෙහෙයුම් නැවැත්වීමට කටයුතු කරන්නේ නම් හැර අඛණ්ඩ පැවැත්මේ පදනම මත ගිණුම් තැබීම හා සමාගමේ අඛණ්ඩ පැවැත්මට අදාළ කරුණු අනාවරණය කිරීමද කළමනාකරණයේ වගකීමකි.

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

පරාන්තන් කාබනික සමාගම
Paranthan Chemicals Company Limited



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

1.5 මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම

සමස්තයක් ලෙස මූල්‍ය ප්‍රකාශන, වංචා සහ වැරදි නිසා ඇතිවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොර බවට සාධාරණ තහවුරුවක් ලබාදීම සහ මාගේ මතය ඇතුළත් විගණන වාර්තාව නිකුත් කිරීම මාගේ අරමුණ වේ. සාධාරණ සහතිකවීම උසස් මට්ටමේ සහතිකවීමක් වන නමුත්, ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනය සිදු කිරීමේදී එය 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 හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, වේතනාන්විත මහභරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මග හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.
- අභ්‍යන්තර පාලනයේ සඵලදායීත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවුවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබාගන්නා ලදී.
- භාවිතා කරන ලද ගිණුම්කරණ ප්‍රතිපත්තිවල උචිතභාවය, ගිණුම්කරණ ඇස්තමේන්තුවල සාධාරණත්වය සහ කළමනාකරණය විසින් කරන ලද සම්බන්ධිත හෙළිදරව් කිරීම් අගයන ලදී.
- සිද්ධීන් හෝ තත්ත්වයන් හේතුවෙන් සමාගමේ අඛණ්ඩ පැවැත්ම පිළිබඳ ප්‍රමාණාත්මක අවිනිශ්චිතතාවයක් තිබේද යන්න සම්බන්ධයෙන් ලබාගත් විගණන සාක්ෂි මත පදනම්ව ගිණුම්කරණය සඳහා ආයතනයේ අඛණ්ඩ පැවැත්ම පිළිබඳ පදනම යොදා ගැනීමේ අදාලත්වය තීරණය කරන ලදී. ප්‍රමාණවත් අවිනිශ්චිතතාවයක් ඇති බවට මා නිගමනය කරන්නේ නම් මූල්‍ය ප්‍රකාශනවල ඒ සම්බන්ධයෙන් වූ හෙළිදරව්කිරීම් වලට මාගේ විගණන වාර්තාවේ අවධානය



ජාතික විගණන කාර්යාලය
 தேசிய கணக்காய்வு அலுவலகம்
 NATIONAL AUDIT OFFICE

යොමු කළ යුතු අතර, එම හෙළිදරව්කිරීම් ප්‍රමාණවත් නොවන්නේ නම් මාගේ මතය විකරණය කළ යුතුය. කෙසේ වුවද, අනාගත සිද්ධීන් හෝ තත්ත්වයන් මත අඛණ්ඩ පැවැත්ම අවසන් වීමට හැකිය.

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

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

2. වෙනත් නෛතික හා නියාමන අවශ්‍යතා පිළිබඳ වාර්තාව

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

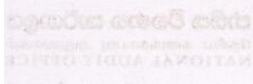
2.1.1 2007 අංක 7 දරන සමාගම් පනතේ 163 (2) වගන්තියේ සහ 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (අ) වගන්තියේ සඳහන් අවශ්‍යතාවන් අනුව, විගණනය සඳහා අවශ්‍ය සියළු තොරතුරු සහ පැහැදිලි කිරීම් මා විසින් ලබාගන්නා ලද අතර, මාගේ පරීක්ෂණයෙන් පෙනී යන ආකාරයට නිසි මූල්‍ය වාර්තා සමාගම පවත්වාගෙන ගොස් තිබුණි.

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

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

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

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



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

නීතිරීති / විධානයට යොමුව

නිරීක්ෂණ

(අ) 2006 රාජ්‍ය ප්‍රසම්පාදන
මාර්ගෝපදේශ
සංග්‍රහයේ 3.1.4

සමාලෝචිත වර්ෂයේදී කි.ගු.900 ක්ලෝරින් සිලින්ඩර් 196 ක් මිලදී ගැනීම සඳහා ජාත්‍යන්තර තරඟකාරී ලංසු කැඳවීමේ ක්‍රමය යොදාගෙන තිබූ අතර උපරිම තරඟයක් ඇති කිරීම තහවුරු කිරීම සඳහා විවිධ මාධ්‍ය මගින් ප්‍රසම්පාදන දැන්වීම් සඳහා ජාත්‍යන්තර වශයෙන් ප්‍රචාරණයක් ලබාදිය යුතු බවට ප්‍රසම්පාදන අස්ථිත්වයට නියම කර තිබුණද සමාගම විසින් පරන්තන් සමාගමේ හා කර්මාන්ත අමාත්‍යාංශයේ වෙබ් අඩවි 2 හි පමණක් දැන්වීම පලකර තිබුණි. අඩු ප්‍රචාරය හේතුවෙන් මේ සඳහා ආයතන 4 කින් ලංසු ඉදිරිපත් වී තිබුණු අතර ඉන් ආයතන 2 කින් පමණක් ලංසු සුරක්ෂණ ඉදිරිපත් කර තිබුණි.

(ආ) 2021 නොවැම්බර් 16
දිනැති අංක 01/2021
දරන රාජ්‍ය ව්‍යාපාර
වක්‍රලේඛයේ රජය
සතු ව්‍යවසායන් සඳහා
වන මෙහෙයුම්
අත්පොතෙහි 6.6
ඡේදය

සමාලෝචිත වර්ෂයට අදාල මූල්‍ය ප්‍රකාශන හා කෙටුම්පත් වාර්ෂික වාර්තාවේ පිටපතක් ගිණුම් වර්ෂය අවසන් වී දින හැටක් (60) ඇතුළත විගණකාධිපති වෙත ඉදිරිපත් කළ යුතු වුවත් සමාගම විසින් සමාලෝචිත වර්ෂයට අදාල මූල්‍ය ප්‍රකාශන 2023 ජුනි 14 දින එනම් මාස 3 ක් හා දින 15 ක ප්‍රමාදයකින් පසු විගණනයට ඉදිරිපත් කරන ලද අතර, විගණන දිනය වූ 2023 ඔක්තෝබර් 02 දින තෙක් එකී වාර්ෂික වාර්තාවේ පිටපතක් විගණනයට ඉදිරිපත් නොවීය.

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.



ජාතික විගණන කාර්යාලය
 தேசிய கணக்காய்வு அலுவலகம்
 NATIONAL AUDIT OFFICE

2.3 වෙනත් කරුණු

- (අ) සමාලෝචිත වර්ෂයේ විකුණුම් ආදායම රු.722,084,984 ක් වූ අතර පෙර වර්ෂයේ විකුණුම් ආදායම රු.395,462,174 ක් විය. කි.ග්‍රෑම් 68 ක් බඳනි හා කි.ග්‍රෑම් 900 ක්, කි.ග්‍රෑම් 1000 ක් බඳනි ක්ලෝරීන් සිලින්ඩර් විකුණුම් ප්‍රමාණය පෙර වර්ෂයට වඩා පිළිවෙලින් සියයට 6 ක් හා සියයට 20 ක් ලෙස අඩු වී තිබුණද විකුණුම් ආදායම පිළිවෙලින් සියයට 97කින් හා සියයට 75 කින් වැඩි වී තිබුණි. කෝස්ටික් සෝඩා විකුණුම් ප්‍රමාණය සියයට 64 කින් වැඩිවී තිබුණද එහි ආදායමේ වැඩිවීම සියයට 710ක් විය. ඒ අනුව සමාලෝචිත වර්ෂයේ විකුණුම් ආදායම පෙර වර්ෂයට සාපේක්ෂව සියයට 82 කින් ඉහළ යාමට ඒවායේ මිල ගණන් වැඩිවීම හේතු වී තිබුණි.
- (ආ) පරන්තන් කෙමිකල්ස් සමාගමට අයත් කි.ග්‍රෑම් 900 හිස් සිලින්ඩර් 28 ක් (බහලුම් 2 ක්) හා සමුද්‍රා සමාගමට අයත් කි.ග්‍රෑම් 1000 හිස් සිලින්ඩර් 14 ක් (බහලුම් 1 ක්) 2022 ඔක්තෝබර් 07 දින ලංකා වරායෙන් බංගලාදේශයේ සි/ස සමුද්‍රා කෙමිකල්ස් කම්ප්ලෙක්ස් ලිමිටඩ් (Samudra Chemicals Complex ltd) ආයතනය වෙත යවා තිබුණි. එම නෞකාව බංගලාදේශයේ චිතගොං වරාය වෙත පැමිණි බව 2022 ඔක්තෝබර් 13 දින සමාගම වෙත ලිඛිතව දැනුම් දී තිබුණද සමාගමේ සැපයුම් අංශය විසින් අදාළ ඉන්වොයිසිය හා පැටවුම් වලට අදාළ ලේඛන 2022 නොවැම්බර් 30 දින වන විටත් සි/ස සමුද්‍රා කෙමිකල්ස් ආයතනය වෙත ලබා දී නොතිබුණි. එම ලේඛන ඉදිරිපත් නොකිරීම නිසා දියර ක්ලෝරීන් ආනයනය කිරීම සඳහා භාවිතා කරන හිස් සිලින්ඩර් නියමිත කාලසීමාව තුළ මුදා ගැනීමට නොහැකිවීම හේතුවෙන් සමාගමට රු.6,830,145 ක ප්‍රමාද ගාස්තුවක් සි/ස සමුද්‍රා කෙමිකල්ස් කම්ප්ලෙක්ස් ආයතනය වෙත ගෙවීමට සිදුවී තිබුණි. එසේම අදාළ පාඩුව වගකිව යුතු නිලධාරීන්ගෙන් අයකර ගැනීමටද කටයුතු කර නොතිබුණි.
- (ඇ) අක්කර 227 කින් යුත් පරන්තන් භූමියේ ක්ලෝරීන් නිෂ්පාදන කටයුතු සඳහා යන්ත්‍රාගාරයක් ස්ථාපිත කිරීමට 2016 වර්ෂයේ යෝජනා කර තිබුණු අතර, ඒ සඳහා 2018 වර්ෂයේ සිට 2021 වර්ෂය දක්වා ශක්‍යතා අධ්‍යයන වෙනුවෙන් හා පරන්තන් ඉඩම සංවර්ධනය හා ශාක වගා කිරීම වෙනුවෙන් පිළිවෙලින් රු.6,469,444 ක් හා රු.4,693,617 ක් ලෙස වියදම් දරා තිබුණද යන්ත්‍රාගාරය ඉදිකිරීම් කටයුතු මේ දක්වා ආරම්භ කර නොතිබුණි.
- (ඈ) කළුතර නාගොඩ හුලර්ටන් කර්මාන්තපුරයේ පරන්තන් කෙමිකල්ස් සමාගමට අයත් අක්කර දෙකකින් යුත් ඉඩමෙහි වර්ග අඩි 5250 කින් යුත් කාර්යාලීය දෙමහල් ගොඩනැගිල්ලේ උඩුමහල ඉහළ කළමනාකාරිත්වයට සරිලන ලෙස යාබද නානකාමර 2 කින් යුත් කාමර 2 ක්, රසායනාගාරයක් සහ සම්මන්ත්‍රණ ශාලාවකින් සමන්විත වන අතර දැනට කිසිදු භාවිතයකින්

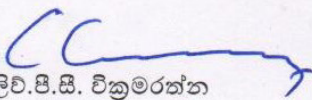
තොරව හිස් දියර බෝතල් හා ආරක්ෂණ ඇඳුම් කට්ටල අසුරා තබන ගබඩාවක් ලෙස භාවිතා කරනු ලබයි. එම හේතුවෙන් මෙම කාර්යාල ගොඩනැගිල්ල උතුනු උපයෝජිතව භාවිතා කරන බව දක්නට ලැබුණි.

- (ඉ) කෝස්ටික් සෝඩා වලට වටිනාකම් එකතු කිරීම සඳහා හා පරන්තන් කෙමිකල්ස් ආයතනයට දැනට ලබාගත නොහැකි වෙළඳපොල වෙත ලඟාවීමේ අරමුණින් කෝස්ටික් සෝඩා දියර සෑදීමේ ව්‍යාපෘතියක් 2015 දෙසැම්බර් මස 30 දින කළුතර නාගොඩ කර්මාන්තපුරයේ ආරම්භ කර ඇති අතර 2016 අප්‍රේල් 25 දින එහි වැඩ අවසන් කර තිබුණි. යන්ත්‍රය සකස් කිරීමට රු.2,089,000 ක වියදමක් දරා තිබූ නමුත් මෙම ව්‍යාපෘතිය සඵලදායී නොවීම හේතුවෙන් මෙම යන්ත්‍රය ගලවා ඉවත්කර භාවිතයකින් තොරව යන්ත්‍රයේ කොටස් භූමියේ තැන තැන දමා දිරාපත්වෙමින් තිබුණි.
- (ඊ) පරන්තන් භූමියේ අක්කර 20 ක ප්‍රමාණයක වී වගා කිරීම සඳහා අධ්‍යක්ෂ මණ්ඩල අනුමැතිය ලබා දී තිබුණු අතර මේ වෙනුවෙන් භූමිය සකස් කිරීම, වී මිලදී ගැනීම, ආරක්ෂිත වැටක් ඉදිකිරීම ඇතුළු කාර්යයන් සඳහා රු.1,706,748 ක් සමාලෝචිත වර්ෂයේ දී වැයකර තිබුණි. සමාගම මිලදී ගත් බිත්තර වී බුසල් 60 න් බුසල් 13 ක් වසුරා තිබුණ ද, වැපිරිය යුතු නියමිත කාලය පමා කර වැපිරීම නිසා මෙම ව්‍යාපෘතිය අසාර්ථක වී තිබීම හේතුවෙන් දරන ලද වියදම නිෂ්කාර්ය වී තිබුණි.
- (උ) සම්පූර්ණයෙන් ක්ෂය වී ඇති දැනට භාවිතයේ පවතින පිරිවැය රු.242,768,692 ක් වූ දේපළ පිරිසත හා උපකරණ වල ප්‍රයෝජනවත් ජීවිත කාලය සමාලෝචනය කිරීමට කළමනාකරණය කටයුතු කර නොතිබුණි.
- (ඌ) භාණ්ඩ සමීක්ෂණ වාර්තා අනුව වගවත්ත පිරවුම්හලේ භාවිතයට ගත නොහැකි ක්ලෝරීන් සිලින්ඩර් 11 ක් නම්කර ඇති අතර එම සිලින්ඩර් වෙන්දේසි කර විකිණීමට යෝජනා කර තිබුණද විගණිත දිනය වන විටත් කිසිදු ක්‍රියාමාර්ගයක් ගෙන නොතිබුණි.
- (එ) සමාලෝචිත වර්ෂයේදී අවස්ථා දෙකකදී බංග්ලාදේශයෙන් රු.38,644,540 ක් වටිනා කි.ග්‍රෑම් 25 කෝස්ටික් සෝඩා බැග් 5,997 ක් මිලදී ගෙන තිබුණි. විගණිත දිනය වූ 2023 ජූලි 12 දින වන විටත් මෙම තොගයෙන් රු.18,315,488 ක් වටිනා කි.ග්‍රෑම් 25 කෝස්ටික් සෝඩා බැග් 2,277 ක් එනම් සියයට 37 ක් ඉතිරි වී තිබුණු අතර, මෙම තොගයෙහි කල් ඉකුත්වීමේ දිනය 2023 අගෝස්තු 26 දින ලෙස සටහන් කර තිබුණි.



ජාතික විගණන කාර්යාලය
 தேசிய கணக்காய்வு அலுவலகம்
 NATIONAL AUDIT OFFICE

(ඒ) ශ්‍රී ලංකාවේ පානීය ජල සුරක්ෂිතතාවට අවශ්‍ය දියර ක්ලෝරීන් ආනයනය කර ජල සම්පාදන හා ජලාප්‍රවාහන මණ්ඩලයට බෙදා හැරීම හා හයිඩ්‍රොක්ලෝරික් අම්ලය (HCL) සහ සෝඩියම් හයිපොක්ලෝරයිට් රසායන ද්‍රව්‍ය නිෂ්පාදනයෙහි සි/ස පරත්තන් කෙම්කල්ස් සමාගම නිරතව සිටින බැවින් ශ්‍රී ලංකාව තුළ යුරියා පොහොර නිෂ්පාදනය කිරීමට ඇති හැකියාව පිළිබඳව ශ්‍රී ලංකා නැනෝ තාක්ෂණ (පෞද්ගලික) ආයතනය මගින් ශක්‍යතා අධ්‍යයනයක් කරවා ගැනීමට 2020 දෙසැම්බර් 31 දින රු.35,353,000 ක් සමාගමට ලබා දී තිබුණ ද, 2023 ජූලි මාසය වන විටත් එම ව්‍යාපෘති ආරම්භ කර නොතිබුණි.



ඩබ්ලිව්.පී.සී. වික්‍රමරත්න

විගණකාධිපති

Statement of Comprehensive Income

	Notes	2022 Rs.	2021 Rs.
Revenue	1	721,807,561	395,462,175
Cost of Sales	2	(348,035,292)	(210,284,083)
Gross Profit		373,772,269	185,178,092
Other Operating Income	3	116,987,017	44,112,772
		490,759,286	229,290,863
Expenses			
Selling and Distribution Expenses		(1,161,936)	(929,883)
Administration and Establishment Expenses		(120,372,754)	(90,165,290)
		(121,534,689)	(91,095,173)
Profit from Operating Activities	4	369,224,596	138,195,691
Less: Finance and Other Costs		(6,865,710)	(14,695)
Net Profit Before Taxation		362,358,886	138,180,995
Taxation	5	(215,283,3560)	(105,172,859)
Net Profit After Taxation		147,075,530	33,008,137
Other Comprehensive Income			
Actuarial (Loss)/Gain		401,895	(149,575)
Tax on Other Comprehensive Income		(60,284)	20,941
Total Comprehensive Income for the Year		147,417,141	32,879,502
Earnings per Share	6	36.77	8.22
Dividend per Share	7	11.00	2.50

Statement of Financial Position

	Notes	2022 Rs.	2021 Rs.
Assets			
Non-Current Assets			
Property, Plant and Equipment	8	247,409,592	166,546,237
Pre-Paid Lease Land		2,441,374	2,556,162
Capital Work-in-Progress		28,937,662	27,227,155
		278,788,628	196,329,554
Current Assets			
Inventories	9	66,805,773	22,991,844
Trade and Other Receivables		94,249,892	68,198,968
Staff and Other Debtors		21,996,838	17,668,692
Deposits, Prepayments and Advances		2,534,876	4,269,558
Short Term Investments	10	746,753,588	539,796,834
Cash and Cash Equivalents	11	19,260,588	89,442,303
Total Current Assets		951,601,555	742,368,199
Total Assets		1,230,390,183	938,697,754
Equity and Liabilities			
Capital and Reserves			
Stated Capital	12	40,000,000,	40,000,000
Retained Earnings		422,948,587	325,074,484
Other Component of Equity	13	232,095,490	219,195,490
		695,044,077	584,269,974
Non-Current Liabilities			
Retirement Benefit Obligation	14	15,143,246	13,356,137
Deferred Tax	15	349,408,894	188,429,012
Urea Feasibility Report		35,353,000	35,353,000
		399,905,140	237,138,149
Current Liabilities			
Trade and Other Payables	16	87,077,208	101,292,547
Current Tax Liability		48,363,758	15,997,084
Total Current Liabilities		135,440,966	117,289,631
Total Equity and Liabilities		1,230,390,183	938,697,754

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	Other Components of Equity	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 st 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)
Sales of Vehicles	-	-	-	-
Net Profit for the Year	-	-	32,879,502	32,879,502
Balance as at 31 st December 2021	40,000,000	219,195,490	325,074,484	584,269,974
Balance as at 01 st January 2022	40,000,000	219,195,490	325,074,484	584,269,974
Revaluation Surplus	-	12,900,000	-	12,900,000
Adjustments in respect of Previous Years	-	-	133,500	133,500
Adjustments in respect of Previous Years	-	-	(400,500)	(400,500)
Adjustments in respect of Previous Years	-	-	170,880	170,880
Adjustments in respect of Previous Years	-	-	553,082	553,082
Dividend Paid	-	-	(50,000,000)	(50,000,000)
Net Profit for the Year	-	-	147,417,141	147,417,141
Balance as at 31 st December 2022	40,000,000	232,095,490	422,948,587	682,144,077

Statement of Cash Flow

	2022 Rs.	2021 Rs.
Net Profit Before Taxation	362,358,886	138,180,995
Adjustment For:		
Depreciation	18,060,287	13,827,632
Interest income	(99,790,419)	(29,359,130)
Land Amortization	114,788	114,788
Provision for Bad & Doubtful debts	-	-
Provision for Gratuity	2,937,484	2,294,922
Staff Loan Interest expenses	(400,500)	-
Operating Profit before Working Capital Changes	283,280,526	125,059,208
(Increase) / Decrease in Inventories	(43,813,929)	(3,015,905)
(Increase) / Decrease in Trade & Other Receivables	(2,634,369)	(15,186,114)
(Increase) / Decrease in Staff & Other Debtors	(4,328,146)	1,332,059
(Increase) / Decrease in Deposits, Prepayments & Advances	1,734,682	1,280,516
Increase / (Decrease) in Trade & Other Payables	(14,081,839)	39,908,267
	(63,123,601)	24,318,823
Operating Profit after Working Capital Changes	220,156,925	149,378,031
Income Tax Paid	(21,997,084)	(14,738,576)
Gratuity Paid	(748,480)	(1,097,700)
Cash Generated from Operating Activities	197,411,361	133,541,755
Cash Flows from Investing Activities		
Interest Income	76,373,864	28,243,094
Purchase of Property, Plant & Equipment	(85,447,453)	(30,854,078)
Proceeds from Sale of Property, Plant & Equipment	-	-
Capital Work-in-Progress	(1,562,732)	(6,948,520)
Cash Used in Investing Activities	(10,636,320)	(9,559,503)
Cash Flows from Financing Activities		
Cash Grant for Urea Feasibility Report	-	35,353,000
Dividends Paid	(50,000,000)	(3,000,000)
Cash Used in Financing Activities	(50,000,000)	32,353,000
Net Increase in Cash & Cash Equivalents	136,775,041	156,335,252
Cash & Cash Equivalents at the Beginning of the Year	629,239,137	472,903,885
Cash & Cash Equivalents at the End of the Year Note A	766,014,178	629,239,137

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)	59,485,803	51,738,105
Fixed Deposits - People's Bank (004-60-01-00011934-0)	65,005,130	58,609,503
Fixed Deposits - People's Bank (004-60-01-00011500-4)	17,500,057	15,256,745
Fixed Deposits - People's Bank (004-60-01-00010701-3)	8,829,219	7,937,050
Fixed Deposits - People's Bank (004-60-01-00010985-0)	17,327,950	15,577,006

	2022 Rs.	2021 Rs.
Fixed Deposits - People's Bank (004-60-01-00011157-0)	17,951,630	15,650,432
Fixed Deposits - People's Bank (004-60-01-00011292-6)	16,976,708	15,261,257
Fixed Deposits - People's Bank (004-60-01-00010519-5)	18,557,135	16,202,226
Fixed Deposits - People's Bank (004-60-01-00011066-0)	17,849,599	15,584,476
Fixed Deposits - People's Bank (004-60-01-00010790-5)	9,112,451	7,956,076
Fixed Deposits - People's Bank (004-60-01-00008845-4)	11,338,403	10,477,09
Fixed Deposits - People's Bank (004-60-01-00012182-7)	16,075,561	14,318,866
Fixed Deposits - People's Bank (004-60-01-00012276-4)	16,550,960	14,429,313
Fixed Deposits - People's Bank (004-60-01-00011798-5)	16,924,697	14,776,945
Fixed Deposits - People's Bank (004-60-01-00012716-2)	16,068,962	13,906,354
Fixed Deposits - People's Bank (004-60-01-00012822-3)	16,040,842	14,100,532
Fixed Deposits - People's Bank (004-60-01-00013562-5)	28,786,424	27,104,234
Fixed Deposits - People's Bank (004-60-01-00013289-7)	43,495,424	40,072,157
Fixed Deposits - People's Bank (004-60-01-00013948)	28,684,091	24,917,288
Fixed Deposits - People's Bank (004-60-01-00014243-0)	13,199,829	11,866,022
Fixed Deposits - People's Bank (004-60-01-14426-9)	13,528,304	11,794,127
Fixed Deposits - NSB (2/0087/14/44042)	12,680,798	11,491,595
Fixed Deposits - NSB (2/0087/14/45413)	12,883,133	11,454,152
Fixed Deposits - NSB	11,962,006	10,608,010
Fixed Deposits - NSB	11,561,262	10,477,049
Fixed Deposits - NSB	11,561,262	10,477,049
Fixed Deposits - NSB	11,198,414	10,347,703
Fixed Deposits - NSB	40,377,904	10,457,588
Fixed Deposits - NSB	11,678,565	36,591,271
Fixed Deposits - NSB	11,069,730	10,356,654
Fixed Deposits - POB	39,175,711	-
Fixed Deposits - NSB	21,657,813	-
Fixed Deposits - NSB	21,657,813	-
Fixed Deposits - NSB	30,000,000	-
Call Deposit - POB	15,000,000	-
Call Deposit - POB	15,000,000	-
	746,753,248	539,796,834
People's Bank - Corporate Branch (004100100211301)	5,053,248	18,935,883
People's Bank - Money Market	14,197,121	70,428,764
People's Bank - Bombuwala Branch (039200170211301)	3,698	3,698
People's Bank- Horana Branch (041200130211301)	6,521	72,763
Petty Cash	-	1,195
	19,260,588	89,442,303
	766,014,178	629,239,137

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 L3, No: 446, Galle Road, Ratmalana.

1.2. Approval of Financial Statements

The Financial Statements are authorized for issue by the Board of Directors on 18/09/2023.

1.3. Number of Employees

The number of employees of the Company at the year-end was 50. (In 2021 - 51)

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-through 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 intends 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.(Resigned), Mr. W. U. Perera, Mr. A. D. S. K. Nandasiri, Mr. L. U. P. Wickramasighe (Resigned), Mr. S. Amaraweera, Mr. D. K. Sumanadasa and Mrs. J. P. Priyangani (Resigned) and Mr. T. M. D. P. Thennakoon were the Directors of the Company as at 31st December 2022. They confirmed that they did not have any interest in contracts with the Company.

Notes to the Accounts

		2022 Rs.	2021 Rs.
1 Revenue			
Liquid Chlorine		683,459,230	376,178,611
Caustic Soda Flakes		32,296,750	7,575,390
Caustic Soda Liquid		4,270,043	6,491,942
Bleaching Liquor		1,330,130	6,491,942
Sanitizer		451,407	1,231,081
		721,807,561	395,462,175
2 Cost of Sales			
Opening Inventories		10,813,264	6,957,004
Add: Purchases		391,082,346	214,140,343
		401,895,610	221,097,347
Less: Closing Inventories		(53,860,318)	(10,813,264)
		348,035,292	210,284,083
3 Other Operating Income			
Interest on Staff Loans		1,012,314	1,325,651
Interest on Fixed Deposits		99,790,419	28,033,479
Other Income		16,184,283	42,787,121
		116,987,017	44,112,772
4 Profit From Operating Activities		369,224,596	138,195,691
Profit from operation is stated after charging the following expenses.			
Depreciation		18,060,287	13,827,632
Auditors' Remuneration		374,760	300,000
Personnel Costs	Note 4.1	54,375,070	52,157,953
4.1 Personnel Costs			
Salaries, Wages, and other related expenses		45,611,475	49,223,194
Terminal Gratuity		2,937,484	2,294,922
Employees' Provident Fund & Employees' Trust Fund		5,826,111	5,355,599
The above included: -			
Directors' Emoluments (Chairman Salary)		960,000	2,415,494
Directors' Fees		1,735,000	5,538,462
5 Taxation			
Current Tax	Note 5.1	54,363,757	19,997,084
Deferred Tax Charge / (Release)	Note 5.2	160,919,599	85,175,775
		215,283,350	105,172,859
5.1 Reconciliation of Accounting Profit & Tax Profit			
Net Profit as per Accounts		362,358,886	138,180,995
Aggregate Disallowable Expenses		21,312,011	22,106,421
		383,670,897	160,207,416
Aggregate Allowable Expenses		(122,048,582)	(46,810,230)
Business Profit		261,622,315	113,477,186

			2022 Rs.	2021 Rs.
	Interest Income		100,363,757	29,359,130
	Total Statutory Income		362,425,048	142,836,316
	Tax profit	362,425,048	15%	54,363,757
			54,363,757	19,997,084
5.2	Deferred Tax Expenses / (Income)			
	Deferred Tax Expenses / (Income) arising due to Timing Differences		160,979,883	85,154,834
	Tax on other comprehensive income		(60,284)	20,941
			160,919,599	85,175,775
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 31 st December 2022			
	Amount used as Numerators:			
	Net Profit / (Loss)		147,075,530	32,879,502
	Net Profit attributable to Ordinary Shareholders		147,075,530	32,879,502
	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		36.77	8.22
7	Dividend Per Share			
	Amount used as Numerators			
	Dividend for the Year		44,000,000	10,000,000
	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.)		11.00	2.50

8. Property, Plant & Equipment

Description of Assets	Cost / Valuation			Depreciation			W. D. V				
	Balance as at 01/01/2022	Additions During the Year	Cost Reversal	Revaluation	Balance as at 31/12/2022	For the Year	Reversal of Prov Depreciation	Balance as at 31/12/2021	Balance as at 01/01/2022	Balance as at 31/12/2022	
Lands	70,000,000	-	-	-	70,000,000	-	-	-	70,000,000	70,000,000	
Buildings	64,275,514	-	-	-	64,275,514	3,213,776	-	26,751,522	40,737,768	37,523,992	
Plant & Machinery	15,284,291	1,026,835	-	-	16,311,126	1,739,039	-	13,729,721	3,293,609	2,581,349	
Furniture & Fittings	3,052,176	280,170	-	-	3,332,346	2,663,271	-	2,783,284	388,905	548,972	
Office Equipment	5,656,520	320,900	-	-	5,977,420	3,753,520	-	4,191,100	1,903,000	1,786,320	
Computers	5,447,643	88,000	-	-	5,534,643	4,918,555	-	5,241,258	528,088	293,385	
Motor Vehicles	33,335,915	-	(12,148,000)	12,900,000	34,087,915	33,335,915	57,466	(12,148,000)	21,245,381	-	12,842,534
Containers & Cylinders	274,280,550	83,705,047	-	-	358,485,597	224,975,420	12,035,873	-	237,011,293	49,805,130	121,474,304
Tools & Equipment	1,345,088	26,500	-	-	1,371,588	897,655	118,864	-	1,016,519	447,433	355,069
Communication & Medical Equipment	480,498	-	-	-	480,498	462,004	14,826	-	476,830	18,494	3,668
	473,657,195	85,447,452	(12,148,000)	12,900,000	559,856,647	306,534,768	18,060,287	(12,148,000)	312,447,055	167,122,427	247,409,592

	2022 Rs.	2021 Rs.
9 Inventories		
Trade Inventories		
Liquid Chlorine - 900 Kg	27,267,581	9,571,987
Liquid Chlorine - 68 Kg	2,893,694	773,539
Caustic Soda Flakes	23,486,043	349,738
Sanitizer	213,000	118,000
	53,860,318	10,813,264
Other Inventories		
Chlorine Valves, Spindles, Washers, Protectors, Spanners & Valves Complete	12,945,455	12,178,580
	66,805,773	22,991,844
10 Short Term Investments		
Fixed Deposits - People's Bank (004-60-01-00011894-8)	59,485,803	51,738,105
Fixed Deposits - People's Bank (004-60-01-00011934-0)	65,005,130	58,609,503
Fixed Deposits - People's Bank (004-60-01-00011500-4)	17,500,057	15,256,745
Fixed Deposits - People's Bank (004-60-01-00010701-3)	8,829,219	7,937,050
Fixed Deposits - People's Bank (004-60-01-00010985-0)	17,327,950	15,577,006
Fixed Deposits - People's Bank (004-60-01-00011157-0)	17,951,630	15,650,432
Fixed Deposits - People's Bank (004-60-01-00011292-6)	16,976,708	15,261,257
Fixed Deposits - People's Bank (004-60-01-00010519-5)	18,557,135	16,202,226
Fixed Deposits - People's Bank (004-60-01-00011066-0)	17,849,599	15,584,476
Fixed Deposits - People's Bank (004-60-01-00010790-5)	9,112,451	7,956,076
Fixed Deposits - People's Bank (004-60-01-00008845-4)	11,338,403	10,477,049
Fixed Deposits - People's Bank (004-60-01-00012182-7)	16,075,561	14,318,866
Fixed Deposits - People's Bank (004-60-01-00012276-4)	16,550,561	14,429,313
Fixed Deposits - People's Bank (004-60-01-00011798-5)	16,924,697	14,776,945
Fixed Deposits - People's Bank (004-60-01-00012716-2)	16,068,962	13,906,354
Fixed Deposits - People's Bank (004-60-01-00012822-3)	16,040,842	14,100,532
Fixed Deposits - People's Bank (004-60-01-00013025-6)	28,786,424	27,104,234
Fixed Deposits - People's Bank (004-60-01-00013289-7)	43,495,424	40,072,157
Fixed Deposits - People's Bank (004-60-01-00013948)	28,684,091	24,917,288
Fixed Deposits - People's Bank (004-60-01-00014243-0)	13,199,829	11,866,022
Fixed Deposits - People's Bank (004-60-01-00014426-9)	13,528,304	11,794,127
Fixed Deposits- NSB (2/0087/14/44042)	12,680,798	11,491,595
Fixed Deposits- NSB (2/0087/14/45413)	12,883,133	11,454,152
Fixed Deposits-NSB	11,962,006	10,608,012
Fixed Deposits-NSB	11,561,262	10,477,049
Fixed Deposits-NSB	11,561,262	10,477,049
Fixed Deposits-NSB	11,198,414	10,347,703
Fixed Deposits-NSB	40,377,904	36,591,271
Fixed Deposits-NSB	11,678,565	10,356,654
Fixed Deposits-NSB	11,069,730	10,457,588
Fixed Deposits-POB	39,175,711	-
Fixed Deposits-NSB	21,657,813	-
Fixed Deposits-NSB	21,657,813	-

	2022 Rs.	2021 Rs.
Fixed Deposits-NSB	30,000,000	-
Call Deposit - POB	15,000,000	-
Call Deposit - POB	15,000,000	-
	746,753,588	539,796,834

11 Cash and Cash Equivalents

People's Bank - Corporate Branch (004100100211301)	5,053,248	18,935,883
People's Bank - Money Market	14,197,121	70,428,764
People's Bank - Bombuwala Branch (039200170211301)	3,698	3,698
People's Bank- Horana Branch (041200130211301)	6,521	72,763
Petty Cash		77,656
	19,260,588	89,442,303

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	219,095,490
Revaluation Surplus during the Year	12,900,000	-
Reversal of Revaluation	-	-
Balance at the end of the Year	232,095,490	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	25,095,037	23,302,909
Bicycle	1	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	273,941,397	232,095,490

14 Retirement Benefit Obligations

Balance at the Beginning of the Year	13,356,137	12,009,340
Charge for the year	1,095,847	970,640
Interest for the year	1,672,487	1,324,282
Provision from Comprehensive Income statement	16,124,471	14,304,262
Provision from Other Comprehensive Income statement	-	-
Actuarial Loss	(401,895)	149,575

	2022 Rs.	2021 Rs.
Less: Payments made during the Year	(579,330)	(1,097,700)
Balance at the End of the Year	16,143,246	13,356,137
Defined Benefit Liability is valued as of 31st December 2015 and the principal assumption used in the valuation is as follows.		
	2022	2021
Discount Rate	12%	12%
Annual Salary Increment Rate	10%	10%
Staff Turnover	5%	5%
15 Differed Tax		
Balance at the Beginning of the Year	188,429,012	103,274,178
Deferred Tax Charge/(Income) for the Year	160,979,882	85,154,834
Balance at the End of the Year	349,408,894	188,429,012
16 Trade and Other Payables		
Other Creditors	4,606,121	14,979,033
Accrued Charges	39,638,237	41,526,164
Refundable Deposits	42,832,850	44,787,350
	87,077,208	101,292,547

17 Contingent Liabilities

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

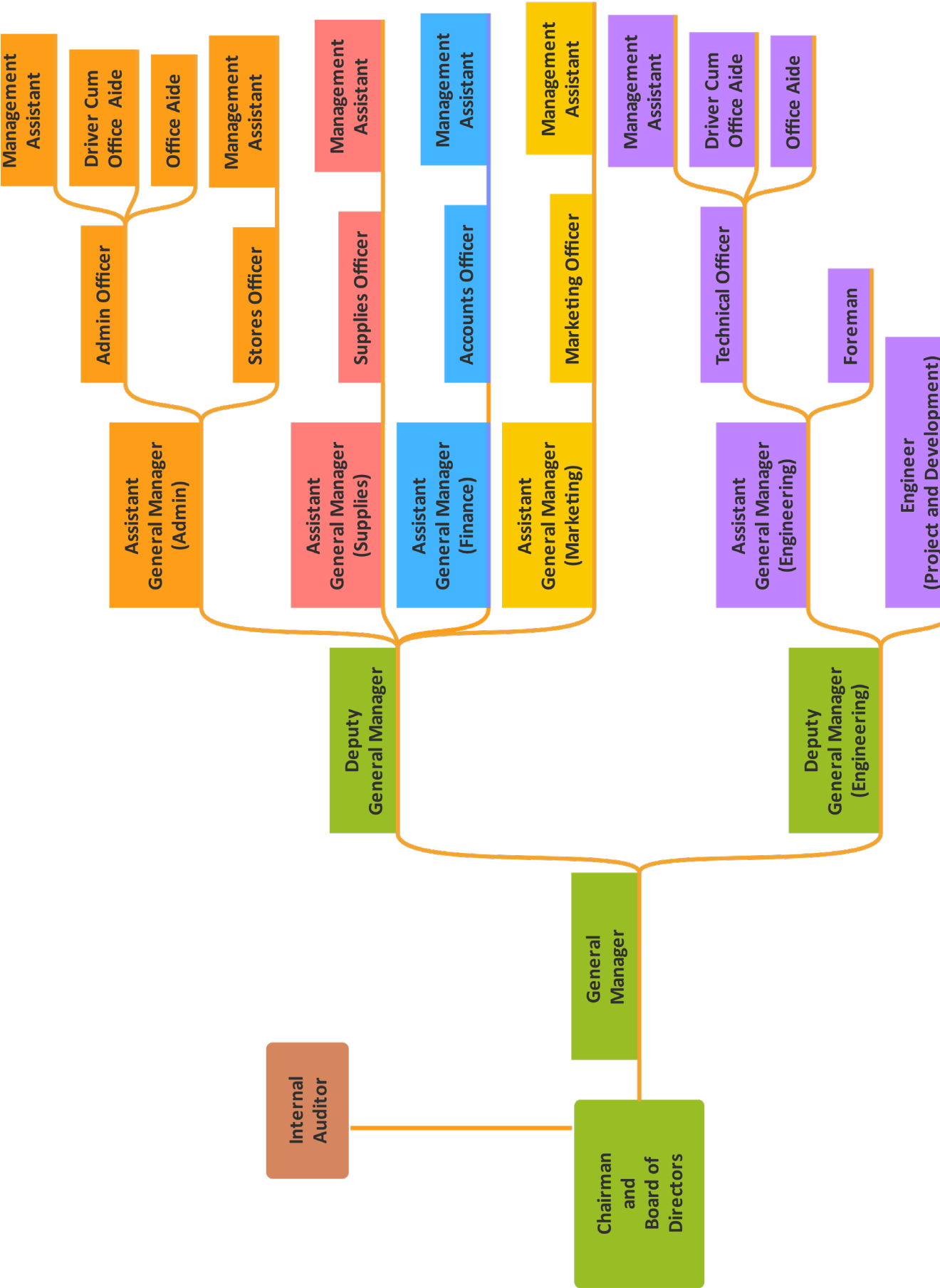
18 Events Occurring After the Balance Sheet Date

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





Highlights / Achievements In 2021, 2022 and Budgeted for 2023

	2021 Actual Rs. '000	2022 Actual Rs. '000	2023 Actual Rs. '000
Non-Current Assets	196,329,555	278,788,592	840,000,000
Current Assets	742,368,199	951,601,555	1,431,300,000
Total Assets	938,697,754	1,230,183	2,271,300,000
Equity and Liabilities			
Capital and Reserves			
Share Holders Fund	584,269,974	695,044,077	1,683,496,042
Non-Current Liabilities	237,138,149	399,905,140	350,000,000
Current Liabilities	117,289,631	135,440,966	237,803,958
Total Equity & Liabilities	938,697,754	1,230,390,183	2,271,300,000
Revenue	395,462,175	721,807,561	877,500,000
Cost of Sales	(210,284,083)	(348,035,292)	(422,500,000)
Gross Profit	185,178,092	373,772,269	455,000,000
Other Operating Income	44,112,772	116,987,017	131,900,000
	229,290,864	490,759,286	586,900,000
Profit from Operation	138,195,691	369,224,596	415,101,212
Profit before Tax	138,180,996	362,358,886	411,601,212
Profit after Tax	33,008,137	147,075,530	353,601,042
Earnings per Share (Rs.)	8.22	36.77	88.49
Dividends per Share (Rs.)	2.50	11.00	26.50

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 2022, 20 meetings of board were held.

Board Meeting Attendance - 2022

Name of Director	Number of Meeting Attended
Mr. R. K. U. Ranaweera Chairman & Director - Executive	02
Mr. W. U. Perera Non-Executive Director	20
Mr. A. D. S. K. Nandasiri Non-Executive Director	20
Mr. L. U. P. Wickramasinghe Non-Executive Director	20
Mr. S. Amaraweera Non-Executive Director	20
Mr. D. K. Sumanadasaa Non-Executive Director	20
Mrs. C. H. Ranatunga Non-Executive Director	20
Mrs. J. P. Priyangani Non-Executive Director	02
Mr. T. M. D. P. Thennakoon Non-Executive Director	18

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 - 2022

Name of Director	Number of Meeting Attended
Mr. T. M. D. P. Thennakoon Non-Executive Director	02
Mr. S. Amaraweera 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 impartiality 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 2022, 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 18.

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;

Mr. T. M. D. P. Thennakoon - Chairman of the Audit Committee

Mr. S. Amaraweera - Member

Meetings and Attendance

The Committee met on 4 occasions during the year 2022 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

	2022 Rs.	2021 Rs.	2020 Rs.	2019 Rs.	2018 Rs.
Revenue	721,807,561	395,462,175	306,585,103	287,168,845	302,627,105
Cost of sales	(348,035,292)	(210,284,083)	(152,926,005)	(151,904,349)	(157,924,310)
Gross profit	373,772,269	185,178,092	153,659,098	135,264,496	144,702,795
Other operating income	116,987,017	44,112,772	33,032,969	38,477,530	33,279,066
		229,290,863	186,692,066	173,742,026	177,981,861
Selling & Distribution expenses	(1,161,936)	(929,883)	(615,044)	(1,494,595)	(1,066,646)
Administration & Establishment exp.	(120,372,754)	(90,165,290)	(103,994,475)	(98,614,771)	(102,402,002)
Finance expenses	(6,865,710)	(14,695)	(52,808)	(251,933)	(249,297)
Profit before tax	362,358,886	138,195,691	82,029,740	73,380,727	74,263,916
Taxation	(215,283,356)	(105,172,859)	(55,347,595)	(30,192,565)	(14,390,221)
Net profit for the period	147,075,530	33,008,136	26,682,144	43,188,162	59,873,695
Dividend to Shareholder	44,000,000	10,000,000	8,000,000	3,000,000	10,000,000
Assets					
Non-Current Assets					
Property plant & Equipment	247,409,592	166,546,237	267,790,774	288,300,442	277,034,696
Pre-Paid Lease Land	-	2,556,162	-	-	-
Work in Progress	28,937,662	27,227,155	19,085,178	7,994,545	17,156,866
Current Assets	951,601,555	742,368,199	574,173,410	497,595,389	428,844,185
Total Assets	1,230,390,183	938,697,754	863,720,313	793,890,376	723,035,747
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	655,044,077	544,269,974	629,219,799	622,160,262	578,566,390
Shareholder's fund	695,044,077	584,269,974	679,219,799	662,160,262	618,566,390
Non-current liabilities	399,905,140	237,138,149	115,283,519	72,119,865	55,068,753
Current liabilities	135,440,966	117,289,631	69,216,994	59,610,248	49,400,604
Total equity and liabilities	1,230,390,183	938,697,754	863,720,313	793,890,376	723,035,747

Notice of the Meeting

Notice is hereby given that the 32nd 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 2022, 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.



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