2023 Annual REPORT

PARANTHAN CHEMICALS COMPANY LIMITED

Contents

About Us

Vision

To be the Leader in Chemical Import, Manufacturing and Trading in Sri Lanka.

Mission

To responsibly Source, Import, and Manufacture chemicals to meet the diverse needs of industries, prioritizing safety, sustainability, and economic growth while promoting environmental stewardship.

Values

Safety
Our Commitment to safety is paramount.

Responsibility and Reliability
We are an environmental responsible entity that minimize environmental impact through sustainable practices and pollution prevention.

Innovation
We are committed to new product development through Innovation and research.

Quality
We follow rigorous standards and compliance with safety regulations to ensure that our products meet the quality standards.

Goals

1. Become the major player in the chemical Import, Manufacturing and Trading market in Sri Lanka.

2. Recommencing of Caustic Soda /Chlorine plant in Paranthan.

3. To improve band image and the awareness of the Company and reach out to Consumer Market with new product development.

4. Be the regulator of Chemical Industry in Sri Lanka with vested powers.

The Organization

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

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

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

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

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

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

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

The Company's Head Office is situated at No.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 R & D related activities and use for some new Industrial application. The total employment of the Company as of 31st December 2023 was 48. The Company has been making regular tax payments over the past several years and continued to earned profits and ensured steady expansion.

Our Journey

1954

Paranthan Chemicals Factory was established in 1954 as a Government Chemical Factory, and naturally got its name from the location at Paranthan in Kilinochchi District, in the Northern Province.

1957

This factory had been confirmed under the name of Paranthan Chemicals Corporation in 1957 by the State Industrial Corporation Act No. 49 of 1957.

1958

As it had been set up to manufactured Caustic Soda and the Liquid Chlorine as main products and Hydrochloride Acid, Zinc Chloride and Table Salt as other by-products, using local raw materials, mainly Salt that was in abundance, were always in favour.

1985

Due to the terrorist activities that encroached into the production process after the year 1983, the operations of the Paranthan Factory could not be carried out normally any further and from the year 1985 onwards, its operation got affected.

1986

Then it has quietly transformed from its 'manufacturing base' into a trading environment and from that point onwards the company had to import Caustic Soda and Chlorine for the various application in manufacturing soap, paper, textiles and for purifying water.

1991

Incorporated on 17th January 1991 as a Public Limited Liability Company under the Conversion of Public Corporations or Government owned Business undertaking into Public Companies Act No. 23 of 1987.

2009

Established Kalutara Unit for Chlorine and other chemicals operation.

2010

Received Paranthan Land with a plan and received Ministry of Defense (MOD) Clearance Report.

2012

- Established Wagawatta Unite with Chlorine Scrubber System.
- Approved Cadre and Scheme of recruitment procedure of the Company.

2013

- Implementation of Bleaching powder Production Plant.
- Started to Fabrication & Supply of Steel Tool boxes for Emergency Kit A & B

2015 - 2019

- Established 20 acres Buffer Zone at Paranthan.
- Appointed Competent Authority to the Company.

2021

Completed feasibility study on Caustic Soda & Chlorine project at Paranthan.

2022

Technical proposal for the modification of Caustic Lye manufacturing process at Nagoda Unit.

2023

- Started to apply KPI procedure to the company.
- Launching of four new products to the Consumer Market.
- Sales promotion through Salacine Rupavahini Institute.
- Introduced disciplinary and administrative procedures to the Company.
- Paid Rs.300Mn to the Treasury in addition to the Dividends.

Financial Highlights

	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.	2019 Rs.
Revenue	770,359,782	721,807,561	395,462,175	306,585,103	287,168,845
Cost of sales	(310,024,750)	(348,035,292)	(210,284,083)	(152,926,005)	(151,904,349)
Gross profit	460,335,032	373,772,269	185,178,092	153,659,098	135,264,496
Other operating income	1,713,160	116,987,017	44,112,772	33,032,969	38,477,530
	462,148,192	490,759,286	229,290,863	186,692,066	173,742,026
Selling & Distribution expenses	(6,025,498)	(1,161,936)	(929,883)	(615,044)	(1,494,595)
Administration &					
Establishment exp.	(139,269,802)	(120,372,754)	(90,165,290)	(103,994,475)	(98,614,771)
Finance expenses	(8,464)	(6,865,710)	(14,695)	(52,808)	(251,933)
Profit before tax	479,965,540	362,358,886	138,195,691	82,029,740	73,380,727
Taxation	(210,810,699)	(215,283,356)	(105,172,859)	(55,347,595)	(30,192,565)
Net profit for the period	270,158,011	147,075,530	33,008,136	26,682,144	43,188,162
Dividend to Shareholder	81,000,000	44,000,000	10,000,000	8,000,000	3,000,000
Assets					
Non-Current Assets					
Property plant & Equipment	279,985,099	247,409,592	166,546,237	267,790,774	288,300,442
Pre-Paid Lease Land	2,326,586	2,441,374	2,556,162	2,670,951	-
Work in Progress	30,729,421	28,937,662	27,227,155	19,085,178	7,994,545
Current Assets	1,046,639,929	951,601,555	742,368,199	574,173,410	497,595,389
Total Assets	1,350,681,034	1,230,390,183	938,697,754	863,720,313	793,890,376
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	384,722,194	655,044,077	544,269,974	629,219,799	622,160,262
Shareholder's fund	665,171,184	695,044,077	584,269,974	679,219,799	662,160,262
Non-current liabilities	465,674,230	399,905,140	237,138,149	115,283,519	72,119,865
Current liabilities	219,835,620	135,440,966	117,289,631	69,216,994	59,610,248
Total equity and liabilities	1,350,681,034	1,230,390,183	938,697,754	863,720,313	793,890,376

Highlights and Achievements

	2022 Actual Rs. '000	2023 Actual Rs. '000	2024 Budgeted Rs. '000
Non-Current Assets	278,789	304,041	329,720
Current Assets	951,602	1,046,640	1,060,000
Total Assets	1,230,391	1,350,681	1,389,270
Equity and Liabilities			
Capital and Reserves			
Share Holders Fund	695,044	665,171	850,275
Non-Current Liabilities	399,905	465,674	270,000
Current Liabilities	135,441	219,836	268,995
Total Equity & Liabilities	1,230,390	1,350,681	1,389,270
Revenue	721,808	770,360	950,000
Cost of Sales	(348,035)	(310,025)	(442,500)
Gross Profit	373,773	460,335	507,500
Other Operating Income	16,184	1,713	2,500
	389,957	462,048	510,000
Profit from Operation	268,422	316,753	354,241
Profit before Tax	362,359	479,965	440,641
Profit after Tax	147,076	270,158	263,951
Earnings per Share (Rs.)	36.77	67.54	65.99
Dividends per Share (Rs.)	11.00	20.25	19.79

Chairman's Review

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

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

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

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

This Annual Report including vital information on important tasks carried out by the Company during the year 2023. 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, Secretary to the Ministry and the staff of the Ministry of Finance, Economic Stabilization & National Policies 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 for their services. My gratitude also due to, Board of Directors 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 2023 as well.

S. M. D. Chaminda Karunarathne

Chairman

General Manager's Review

Activities/Duties and Functions

Paranthan Chemicals Company Limited is main production factory was at Paranthan in Kilinochchi District, that was operated successfully since 1956 to 1985. Our production facility was destroyed on year 1985 due to the war and we are currently at the process of re-establishment of it at Paranthan itself. The company was completed the comprehensive feasibility study into re- establishment of Caustic Soda & Chlorine factory

Paranthan Chemicals Company Limited is self-driven, profit oriented state entity with remarkable Profit & Service growth rate. we have awarded "Compliant Economic Operator (CEO)" standards by Sri Lanka Customs, enabling us to utilize green channel facility for our cargo operation.

The Company operates with manufacturing mindset and focus strategically to develop potential chemical manufacturing industries

Engineering division of the company-initiated Chlorine Cylinder maintenance & Pressure testing at Wagawatta facility for avoid exchange of Dollars. Further we manufacture safety equipment tool kit for prevent chemical accidents. Further, we conduct practical training programs to the nation against chemical disaster management.

The main activities of the Company and revenue sources during the year 2023 are confined to sale of liquid Chlorine, Caustic Soda and Hydrochloric Acid. The turnover of the year under review is Rs.770 million which is 50% Increase than the previous year. But the Company could reach only profit before taxes of Rs.479 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.

Paranthan Chemicals Company Limited believes own competencies by displaying results in bottom line & continuously improving its product portfolio by adding new products to the market as competitive trading company, that will transform to manufacturing sector in year 2024.

Action Taken on Safe Usage of Liquid Chlorine

The Company has made an in-depth analysis on the risk factors of Liquid 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 liquid 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.20 million to cover the Public from any probable hazards due to the entire Liquid Chlorine operation. In addition, training programmes have been conducted on usage of Liquid Chlorine for Company employees, employees of Water Board sites and other liquid chlorine users and introduced new safety Kits to mitigate the risk involved.

Finance Division

The Finance Division of the Company consists of one Assistant General Manager and two 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. 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 2023.

Marketing Division

The sales and the distribution activities of the Company are handled by the Marketing Division. The division is headed by the Marketing Officer and assisted by two 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 three 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 division of the Company. The division is Consists of two Executives. 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, two Management Assistants One foreman and twelve Manual and operational grade employees and maintain under the supervision of Assistant General Manager (Engineering). The Division Manage the overall maintenance work of 68Kg capacity cylinders, conduct training programmes, assembling of safety equipment's. During the year 2023, the unit performed very satisfactorily.

Acknowledgement

I take this opportunity to express my gratitute and thanks to the Chairman & Board Directors and Paranthan Chemicals Company Limited Staff 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

Board of Directors

S. M. D. Chaminda Karunarathne
Chairman and Director (Executive)

Mrs. J.P. Priyangani
Non-Executive Director

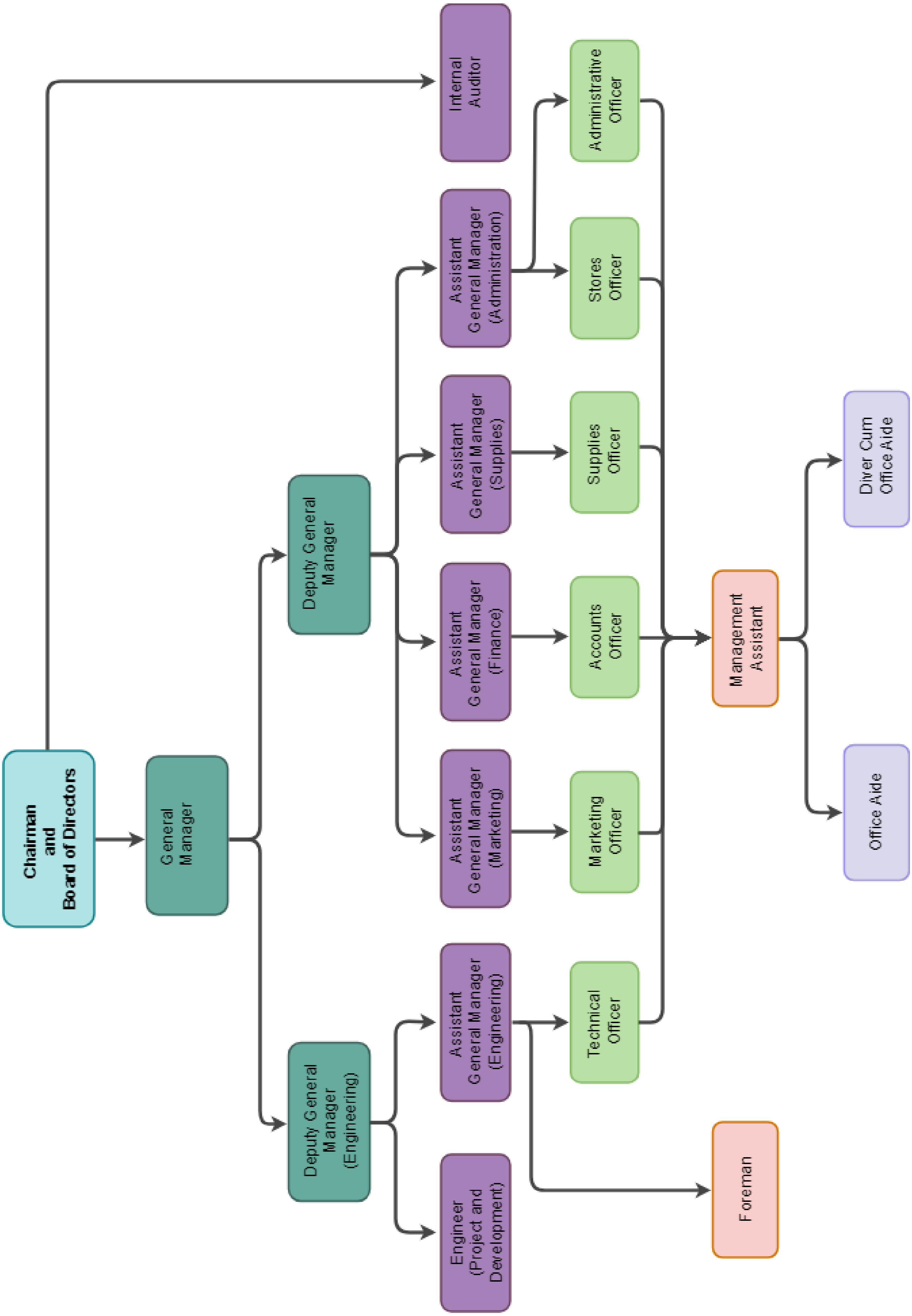
Mr. B.R. Madihahewa
Non-Executive Director

Mr. S. Poddiwala
Non-Executive Director

Mr. S. Amaraweera
Non-Executive Director

Mr. D.K. Sumanadasa
Non-Executive Director

Mr. H. L. Vipula Silva
Secretary to the Board


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

SWOT Analysis

S
STRENGTHS

- State ownership.
- Over 50 years of experience in the Chemical Industry.
- Market Leadership in Chlorine supply and substantial percentage of market share in Bleaching Liquid and Caustic Soda Liquid.
- Specialized, experienced Management and staff.
- Financial stability and profit-making State-owned Institution.
- The large extent of land is located in A-9 road. The Northern railway route crosses through the land and proximity of KKS Port. (Approximately 64 hectares)

W
WEAKNESSES

- Mainly depend on chemical imports, which are often impacted by regional issues/ challenges.
- Lack of funds for the implementation of large projects
- Lack of distribution throughout the country.
- Strict adherence to government procedures (ARS and FRS) hinders business operation and decision making.
- Noncompetitive pricing policy.

O
OPPORTUNITIES

- Non availability of Caustic Soda and Chlorine factory in Sri Lanka.
- Potential growth of manufacturing industries and water purification projects which use chemical inputs.
- Higher unemployment rates in Northern Province.
- Political stability in the country
- Easy access to obtain raw materials such as Salt, Lime, Sand and Minerals etc.

T
THREATS

- Competition from suppliers in the region and from local suppliers.
- Freedom for Private sector Companies to Import Chemicals.
- No regulatory powers vested to the Company.
- Possible reduction in market shares due to price insensitivity.
- Unacceptable delays in obtaining approval from the authorities and regulatory bodies.
- Higher electricity rates by the CEB for the industries.
- Higher lending rates.
- Future earnings may get affected due to foreign exchange rate fluctuation.

Risk Areas

Company has identified several threat areas that could make an impact on day to day business operation of the company and the continuity of the company. Contingency plans have been set up for the identified risk areas as depicted below.

Mitigation issues

Risk: Possibility for legal and environmental issues due to possible leakages of chemicals or any other hazard could be occurred.

Mitigating Plan:

The company has taken steps to mitigate the impact of possible leakages.

1. Testing of cylinders is done periodically.
2. Regular maintenance of chlorine valves and cylinders.
3. A team has been placed at our work site during the night and holidays to arrest any kind of leaks.
4. Introduced Emergency safety education program for customers.
5. Introduced Emergency safety kits to customers which could be used to arrest any possible leaks.
6. Public Liability Insurance with Product Liability cover has been taken for covering the full circle of the Chlorine operation from port to the end users premises.

Innovative Substitutes

Risk: Introduction of new, and innovative substitute products for Liquid Chlorine, Caustic Soda and HCL. Competitors develop their product quality and features too.

Mitigating Plan:

1. To maintain less price levels with a low profit margin for Liquid Chlorine, Caustic Soda flakes and other chemicals.
2. Company has planned to market substitute products parallel to innovations in chemical market.

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 2023, 15 meetings of board were held.

Management Committee Meetings

The Executive Director 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 - 2023

Name of Director	Number of Meeting Attended
Mrs J. P. Priyangani Non-Executive Director	04
Mr. S. Amaraweera Non-Executive Director	04
Mr. Sunil Poddiwala Non- Executive director	03

Internal Control

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

Presentation of Financial Statements and Related Transparency & Accountability

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

Rules of Discipline

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

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

Financial Disclosures and Transparency

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

Ethical Standards

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

Statutory Payments

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

Accountability and Disclosure

In the year ended 31st December 2023, the members of the Board of Directors have reviewed in detail the Annual Financial Statements in order to satisfy themselves that they present a true and fair view of the Company's affairs. A summary of Director's Responsibilities in respect of Financial Statements is given on page 26.

By Order of the Board,

Paranthan Chemicals Company Ltd

H. L. Vipula Silva

Secretary to the Board

Audit Committee Report

Role of the Audit Committee

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

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

Composition of the Audit Committee

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

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

Mr. S. Amaraweera - Member

Mr. Sunil Poddiwala - Member

Meetings and Attendance

The Committee met on 4 occasions during the year 2023 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 2023 the Committee reviewed the results of the audits undertaken by Internal Auditor. The Internal Auditor (for the year 2023), 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

8th August 2024

Sunil Poddiwala

Member of the Audit Committee

Director's Report

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 2023.

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 2023.

1. Mr. S. M. D. C. Karunarathne
   Chairman and Director (Executive)
2. Mr. D. K. Sumanadasa
   Non-Executive Director
3. Mr. S. Amaraweera
   Non-Executive Director
4. Mrs. J. P. Priyangani
   Non-Executive Director
5. Mr. Sunil Poddiwala
   Non-Executive Director
6. Mr. B. R. Madihahewa
   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 2023, 15 meetings of board were held.

Board Meeting Attendance 2023

Name of Director	Number of Meeting Attended
Mr. S. M. D. C. Karunarathne Chairman & Director - Executive	12
Mr. A. D. S. K. Nandasiri Chairman & Director - Executive (Retired)	03
Mr. W. U. Perera Non-Executive Director	01
Mr. S. Amaraweera Non-Executive Director	15
Mr. D. K. Sumanadasa Non-Executive Director	15
Mrs. J. P. Priyangani Non-Executive Director	13
Mr. T. M. D. P. Thennakoon Non-Executive Director	02
Mr. Sunil Poddiwala Non-Executive Director	12
Mr. B. R. Madihahewa Non-Executive Director	11

Directors Interests in Contracts

Mr. W. U. Perera, Mr. A. D. S. K. Nandasiri, 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 2023. 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 2023 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 2023 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 2023 is given in Note 9.1 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 14 to the accounts on page 29.

Auditor

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

Solvency Test

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

Significant Accounting Policies

The Accounting Policies adopted in the preparation of Financial Statements are given on pages 18 to 32.

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,

S. M. D. Chaminda Karunarathne

Chairman

B.R. Madihahewa

Director

Statement of Comprehensive Income

	Notes	2023 Rs.	2022 Rs.
Revenue	6	770,359,782	721,807,561
Cost of Sales	7	(310,024,759)	(348,035,292)
Gross Profit		460,335,022	373,772,269
Other Operating Income	8	1,713,160	16,184,283
		462,048,182	389,956,552
Expenses			
Selling and Distribution Expenses		(6,025,498)	(1,161,936)
Administration and Establishment Expenses	9	(139,269,802)	(120,372,754)
		(145,295,300)	(121,534,690)
Profit from Operating Activities		316,752,882	268,421,862
Less: Finance and Other Costs		(8,464)	(6,865,710)
Add: Interst Income	10	163,220,984	100,802,733
Net Profit Before Taxation		479,965,403	362,358,885
Taxation	11	(210,810,699)	(215,283,356)
Net Profit After Taxation		269,154,704	147,075,529
Other Comprehensive Income			
Actuarial (Loss)/Gain		1,433,296	401,895
Tax on Other Comprehensive Income		(429,989)	(60,284)
Total Comprehensive Income for the Year		270,158,011	147,417,140
Earnings per Share	12	67.53	36.77
Dividend per Share	13	20.25	11.00

Statement of Financial Position

	Notes	2023 Rs.	2022 Rs.
Assets			
Non-Current Assets			
Property, Plant and Equipment	14	270,985,099	247,409,592
Pre-Paid Lease Land		2,326,586	2,441,374
Capital Work-in-Progress		30,729,421	28,937,662
		304,041,105	278,788,628
Current Assets			
Inventories	15	126,225,553	66,805,773
Trade and Other Receivables		103,850,416	94,249,892
Staff and Other Debtors		28,645,805	21,996,838
Deposits, Prepayments and Advances		3,208,050	2,534,876
Short Term Investments	16	727,087,792	746,753,588
Cash and Cash Equivalents	17	57,622,314	19,260,588
Total Current Assets		1,046,639,929	951,601,555
Total Assets		1,350,681,034	1,230,390,183
Equity and Liabilities			
Capital and Reserves			
Stated Capital	18	40,000,000,	40,000,000,
Retained Earnings		384,722,194	422,948,587
Other Component of Equity	19	240,448,990	232,095,490
		665,171,184	695,044,077
Non-Current Liabilities			
Retirement Benefit Obligation	20	14,551,731	15,143,246
Deferred Tax	21	415,769,499	349,408,894
Urea Feasibility Report		35,353,000	35,353,000
		465,674,230	399,905,140
Current Liabilities			
Trade and Other Payables	22	74,955,537	87,077,208
Current Tax Liability		144,880,083	48,363,758
Total Current Liabilities		219,835,620	135,440,966
Total Equity and Liabilities		1,350,681,034	1,230,390,183

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

Head of Finance

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

Director

Director

Statement of Changes in Equity

	Stated Capital Rs.	Other Components of Equity Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st January 2022	40,000,000	219,195,490	325,074,484	584,269,974
Revaluation Surplus	-	12,900,000	-	-
Adjustments in Respect of Previous Years	-	-	456,962	456,962
Dividend Paid	-	-	(50,000,000)	(50,000,000)
Net Profit for the Year	-	-	147,417,141	147,417,141
Balance as at 31st December 2022	40,000,000	232,095,490	422,948,587	695,044,077
Balance as at 01st January 2023	40,000,000	232,095,490	422,948,587	695,044,077
Revaluation Surplus	-	8,900,000	-	8,900,000
Adjustments in respect of Previous Years	-	-	(3,930,904)	(3,930,904)
Sales of Cylinders	-	(546,500)	546,500	-
Dividend Paid	-	-	(305,000,000)	(305,000,000)
Net Profit for the Year	-	-	270,158,011	270,158,011
Balance as at 31st December 2023	40,000,000	240,448,990	384,722,194	665,171,184

Statement of Cash Flow

	2023 Rs.	2022 Rs.
Net Profit Before Taxation	478,457,680	362,358,886
Adjustment For:		
Depreciation	33,618,232	18,060,287
Prov of Communication and Media	-	(18,495)
Interest income	(163,220,984)	(99,790,419)
Land Amortization	114,788	114,788
Provision for Gratuity	2,768,334	2,937,484
Staff Loan Interest expenses	(815,670)	(400,500)
Operating Profit before Working Capital Changes	350,922,380	283,280,526
(Increase) / Decrease in Inventories	(59,494,510)	(43,813,929)
(Increase) / Decrease in Trade & Other Receivables	(8,870,072)	(2,634,369)
(Increase) / Decrease in Staff & Other Debtors	(6,598,281)	(4,328,146)
(Increase) / Decrease in Deposits, Prepayments & Advances	(216,571)	1,734,682
Increase / (Decrease) in Trade & Other Payables	(11,975,664)	(14,081,839)
	(87,155,098)	(63,123,601)
Operating Profit after Working Capital Changes	263,767,283	220,156,925
Income Tax Paid	(48,363,757)	(21,997,084)
Gratuity Paid	(1,865,965)	(748,480)
Cash Generated from Operating Activities	213,537,561	197,411,361
Cash Flows from Investing Activities		
Interest Income	160,133,880	76,373,864
Purchase of Property, Plant & Equipment	(48,246,556)	(85,447,453)
Proceeds from Sale of Property, Plant & Equipment	62,800	-
Capital Work-in-Progress	(1,791,758)	(1,562,732)
Cash Used in Investing Activities	110,158,367	(10,636,320)
Cash Flows from Financing Activities		
Dividends Paid	(305,000,000)	(50,000,000)
Cash Used in Financing Activities	(305,000,000)	(50,000,000)
Net Increase in Cash & Cash Equivalents	18,695,928	136,775,041
Cash & Cash Equivalents at the Beginning of the Year	766,014,178	629,239,137
Cash & Cash Equivalents at the End of the Year	784,710,106	766,014,178

Notes to the Financial Statements

1. Corporate Information

1.1. Reporting Entity

Paranthan Chemicals Company Limited is a Limited Liability Company Incorporated and domiciled in Sri Lanka. The Registered Office of the Company and the principal place of business is located at No: 446, Galle Road, Ratmalana.

1.2. Approval of Financial Statements

The Financial Statements are authorized for issue by the Board of Directors on 28/02/2024.

1.3. Number of Employees

The number of employees of the Company at the year-end was 46. (In 2022 - 50)

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 2022.

Taxes

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

Impairment of Tangible Assets

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

4. Summary of Significant Accounting Policies

4.1. Foreign Currency Translation

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

4.2. Tax

Current Tax

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act. No. 10 of 2006 and amendments thereto.

Deferred Tax

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

4.3. Property, Plant and Equipment

Basis of Recognition

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

Basis of Measurement

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

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

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

De Recognition

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

Depreciation

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

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

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

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

4.4. Financial Instruments - Initial Recognition and Subsequent Measurement

i) Financial Assets

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

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

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

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

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

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

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

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

Derecognized of financial assets

A financial asset is primarily derecognized when:

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

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

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

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

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

Impairment of Financial Assets

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

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

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

Reclassification

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

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

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

ii) Financial Liabilities

All financial liabilities are measured at amortized cost, except for financial liabilities at fair value through profit and loss. The company does not have financial liabilities other than payables for the year ended 31st December 2023.

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. S. M. D. C. Karunarathne, Mr. Buddika Ruwan Mahadihahewa, Mr. Sunil Poddiwala, Mr. W. U. Perera (Resignrd), Mr. A. D. S. K. Nandasiri (Resigned), Mr. S. Amaraweera, Mr. D. K. Sumanadasa and Mrs. J. P. Priyangani and Mr. T. M. D. P. Thennakoon (Resigned) were the Directors of the Company as at 31st December 2023. They confirmed that they did not have any interest in contracts with the Company.

			2023 Rs.	2022 Rs.
6	**Revenue**			
	Liquid Chlorine		755,523,100	682,165,935
	Caustic Soda		1,705,250	34,177,750
	Caustic lye		3,290,913	577,907
	Sanitizer		8,809	400,801
	Paranthan Real Bleach		1,737,984	1,227,331
	Bleaching Liquid		8,093,726	3,257,837
			770,359,782	721,807,561
7	**Cost of Sales**			
	Opening Inventories		53,860,318	10,813,264
	Add: Purchases		371,936,039	391,082,346
			425,796,357	401,895,610
	Less: Closing Inventories		(115,771,598)	(53,860,318)
			310,024,759	348,035,292
8	**Other Operating Income**			
	Profit on Sales of Fixed Assets		62,800	-
	Reversal of Provision Bad Debts		-	3,631,896
	Non Refundable Document Fees		354,024	59,650
	Transport		543,500	61,000
	Sundry Sales		234,602	12,365,965
	Sundry Income		518,234	65,772
			1,713,160	16,184,283
9	**Profit From Operating Activities**			
	Profit from operation is stated after charging the following expenses.			
	Depreciation		33,618,232	18,060,287
	Auditors' Remuneration		300,000	374,760
	Personnel Costs	Note 9.1	54,866,919	54,375,070
	9.1 Personnel Costs			
	Salaries, Wages, and other related expenses		46,650,724	45,611,475
	Terminal Gratuity		2,768,334	2,937,484
	Employees' Provident Fund & Employees' Trust Fund		5,447,860	5,826,111
	The above included: -			
	Directors' Emoluments (Chairman Salary)		960,000	960,000
	Directors' Fees		1,365,000	1,735,000
10	**Interest Income**			
	Interest on Distress Loan		1,305,413	863,248
	Interest on Emergency Loan		68,168	149,066
	Interest on Fixed Deposits		158,399,977	98,794,597
	Interest on Call Deposits		3,447,426	995,822
			163,220,984	100,802,733
11	**Taxation**			
	Current Tax	Note11.1	144,427,766	54,363,757
	Deferred Tax Charge / (Release)	Note11.2	65,930,616	160,919,599
			210,358,382	215,283,350

				2023 Rs.	2022 Rs.
11.1	**Reconciliation of Accounting Profit & Tax Profit**				
	Net Profit as per Accounts			478,457,680	362,358,886
	Aggregate Disallowable Expenses			36,704,054	21,312,011
				515,161,734	383,670,897
	Aggregate Allowable Expenses			(196,956,831)	(122,048,582)
	Business Profit			318,204,903	261,622,315
	Interest Income			163,220,984	100,363,757
	Total Statutory Income			481,425,887	362,425,048
	Tax profit	481,425,887	30%	144,427,766	54,363,757
				144,427,766	54,363,757
11.2	**Deferred Tax Expenses / (Income)**				
	Deferred Tax Expenses / (Income) arising due to Timing Differences			66,360,605	160,979,883
	Tax on other comprehensive income			(429,989)	(60,284)
				65,930,616	160,919,599

12 Earnings Per Share

12.1 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.

12.2 The following reflects the income and share data used in the Basic Earnings per Share computations, for the year ended 31st December 2023

	2023	2022
Amount used as Numerators:		
Net Profit / (Loss)	270,158,011	147,417,140
Net Profit attributable to Ordinary Shareholders	270,158,011	147,417,140
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	67.53	36.77

13 Dividend Per Share

	2023	2022
Amount used as Numerators		
Dividend for the Year	81,000,000	44,000,000
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.)	20.25	11.00

14. Property, Plant & Equipment

Description of Assets	Cost / Valuation						Depreciation					W. D. V	W. D. V
	Balance as at 01/01/2023	Additions During the Year	Cost Reversal	Disposal	Revalution	Balance as at 31/12/2023	Balance as at 01/01/2023	For the Year	Disposal	Reversal of Prov Depreciation	Balance as at 31/12/2023	Balance as at 01/01/2023	Balance as at 31/12/2023
Lands	70,000,000	-	-	-	-	70,000,000	-	-	-	-	-	70,000,000	70,000,000
Buildings	64,275,514	620,603	-	-	-	64,896,117	26,751,522	3,220,690	-	-	29,972,212	37,523,992	34,923,906
Plant & Machinery	16,311,126	895,000	-	-	-	17,206,126	13,729,778	1,240,109	-	-	14,969,887	2,581,348	2,236,239
Furniture & Fittings	3,332,346	27,700	-	-	-	3,360,046	2,783,374	135,074	-	-	2,918,448	548,972	441,598
Office Equipment	5,977,420	1,583,111	-	-	-	7,560,531	4,191,100	486,808	-	-	4,677,908	1,786,320	2,882,622
Computers	5,570,643	1,516,561	-	-	-	7,087,204	5,241,258	600,323	-	-	5,841,581	329,385	1,245,623
Motor Vehicles	34,087,915	-	(9,530,715)	-	8,900,000	33,457,200	21,245,381	4,590,945	-	(9,530,715)	16,305,611	12,842,534	17,151,589
Containers & Cylinders	358,487,849	43,338,059	-	(546,500)	-	401,279,458	237,011,293	23,210,593	(546,500)	-	259,675,386	121,476,606	141,604,072
Tools & Equipment	1,371,588	265,522	-	-	-	1,637,110	1,016,519	121,141	-	-	1,137,660	355,069	499,449
Communication & Medical Equipment	480,498	-	-	-	-	480,498	476,830	3,668	-	-	480,498	3,668	-
	559,894,949	48,246,556	(9,530,715)	(546,500)	8,900,000	606,964,290	312,447,055	33,609,351	(546,500)	(9,530,715)	335,979,191	247,447,894	270,985,099

		2023 Rs.	2022 Rs.
15	**Inventories**		
	Trade Inventories		
	Liquid Chlorine - 900 Kg	38,919,776	27,267,581
	Liquid Chlorine - 68 Kg	1,403,282	2,893,694
	Caustic Soda Flakes	75,327,040	23,486,043
	Sanitizer	121,500	213,000
		115,771,598	53,860,318
	Other Inventories		
	Chlorine Valves, Spindles, Washers, Protectors, Spanners & Valves Complete	10,453,955	12,945,455
		126,225,553	66,805,773
16	**Short Term Investments**		
	Fixed Deposits - People's Bank (004-60-01-00011894-8)	71,508,298	59,485,803
	Fixed Deposits - People's Bank (004-60-01-00011934-0)	74,519,494	65,005,130
	Fixed Deposits - People's Bank (004-60-01-00011500-4)	21,133,746	17,500,057
	Fixed Deposits - People's Bank (004-60-01-00010701-3)	10,777,076	8,829,219
	Fixed Deposits - People's Bank (004-60-01-00010985-0)	21,150,752	17,327,950
	Fixed Deposits - People's Bank (004-60-01-00011157-0)	21,679,084	17,951,630
	Fixed Deposits - People's Bank (004-60-01-00011292-6)	20,722,022	16,976,708
	Fixed Deposits - People's Bank (004-60-01-00010519-5)	-	18,557,135
	Fixed Deposits - People's Bank (004-60-01-00011066-0)	-	17,849,599
	Fixed Deposits - People's Bank (004-60-01-00010790-5)	-	9,112,451
	Fixed Deposits - People's Bank (004-60-01-00008845-4)	13,617,963	11,338,403
	Fixed Deposits - People's Bank (004-60-01-00012182-7)	-	16,075,561
	Fixed Deposits - People's Bank (004-60-01-00012276-4)	19,987,581	16,550,561
	Fixed Deposits - People's Bank (004-60-01-00011798-5)	-	16,924,697
	Fixed Deposits - People's Bank (004-60-01-00012716-2)	19,184,887	16,068,962
	Fixed Deposits - People's Bank (004-60-01-00012822-3)	-	16,040,842
	Fixed Deposits - People's Bank (004-60-01-00013025-6)	35,733,007	28,786,424
	Fixed Deposits - People's Bank (004-60-01-00013289-7)	53,280,419	43,495,424
	Fixed Deposits - People's Bank (004-60-01-00013948)	-	28,684,091
	Fixed Deposits - People's Bank (004-60-01-00014243-0)	16,111,907	13,199,829
	Fixed Deposits - People's Bank (004-60-01-00014426-9)	16,337,304	13,528,304
	Fixed Deposits- NSB (2/0087/14/44042)	14,104,013	12,680,798
	Fixed Deposits- NSB (2/0087/14/45413)	-	12,883,133
	Fixed Deposits-NSB	-	11,962,006
	Fixed Deposits-NSB	12,858,827	11,561,262
	Fixed Deposits-NSB	12,858,827	11,561,262
	Fixed Deposits-NSB	13,449,840	11,198,414
	Fixed Deposits-NSB	47,945,564	40,377,904
	Fixed Deposits-NSB	-	11,678,565
	Fixed Deposits-NSB	13,295,284	11,069,730
	Fixed Deposits-POB	47,947,159	39,175,711
	Fixed Deposits-NSB	24,088,553	21,657,813
	Fixed Deposits-NSB	24,088,553	21,657,813

		2023 Rs.	2022 Rs.
	Fixed Deposits-NSB	35,496,041	30,000,000
	Fixed Deposits - People’s Bank	22,810,639	-
	Fixed Deposits - People’s Bank	22,400,949	-
	Fixed Deposits - People’s Bank	20,000,000	-
	Call Deposit - POB	-	15,000,000
	Call Deposit - POB	-	15,000,000
		727,087,792	746,753,588
17	**Cash and Cash Equivalents**		
	People's Bank - Corporate Branch (004100100211301)	14,217,953	5,053,248
	People's Bank - Money Market	43,350,737	14,197,121
	People's Bank - Bombuwala Branch (039200170211301)	3,698	3,698
	People's Bank - Horana Branch (041200130211301)	6,521	6,521
	Petty Cash - Head Office	43,405	-
		57,622,314	19,260,588
18	**Stated Capital**		
	Represented By		
	Capital Reserve		
	Nos. 4,000,000 Ordinary Shares	40,000,000	40,000,000
19	**Other Components of Equity**		
	Re Valuation Reserves on Property, Plant and Equipment		
	Balance as at the beginning of the Year	232,095,490	219,195,490
	Revaluation Surplus during the Year	8,900,000	12,900,000
	Reversal of Revaluation	546,500	-
	Balance at the end of the Year	240,448,990	232,095,490

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

		2023 Rs.	2022 Rs.
20	**Retirement Benefit Obligations**		
	Balance at the Beginning of the Year	15,143,246	13,356,137
	Charge for the year	1,060,371	1,095,847
	Interest for the year	1,647,375	1,672,487

	2023 Rs.	2022 Rs.
Provision from Comprehensive Income statement	17,850,992	16,124,471
Actuarial Loss	(1,433,296)	(401,895)
Less: Payments made during the Year	(1,865,965)	(579,330)
Balance at the End of the Year	14,551,731	15,143,246

Defined Benefit Liability is valued as of 31st December 2023 and the principal assumption used in the valuation is as follows.

	2023	2022
Discount Rate	12%	12%
Annual Salary Increment Rate	10%	10%
Staff Turnover	5%	5%

21 Differed Tax

	2023	2022
Balance at the Beginning of the Year	349,408,894	188,429,012
Deferred Tax Charge/(Income) for the Year	66,360,605	160,979,882
Balance at the End of the Year	415,769,499	349,408,894

22 Trade and Other Payables

	2023	2022
Other Creditors	5,512,191	4,606,121
Accrued Charges	22,610,396	39,638,237
Refundable Deposits	46,832,950	42,832,850
	74,955,537	87,077,208

23 Contingent Liabilities

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

24 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.

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. IMT/A/PCCL/FA/2023/06 ඔබේ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 2024 ජුනි 14 දින

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පරන්තන් කෙමිකල්ස් සමාගම

පරන්තන් කෙමිකල්ස් සමාගමේ 2023 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් නෛතික හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

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1. මූල්‍ය ප්‍රකාශන

1.1 මතය

පරන්තන් කෙමිකල්ස් සමාගමේ 2023 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 ප්‍රමාණාත්මක ගිණුම්කරණ ප්‍රතිපත්තිවලට අදාළ තොරතුරුද ඇතුළත් මූල්‍ය ප්‍රකාශන වලට අදාළ සටහන්වලින් සමන්විත 2023 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 2023 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා එහි මූල්‍ය ක්‍රියාකාරිත්වය හා මුදල් ප්‍රවාහ ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතිවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 මතය සඳහා පදනම

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

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE
NAOSL

1.3 සමාගමේ 2023 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු

මෙම විගණන වාර්තාවේ දිනට පසුව මට ලබා දීමට බලාපොරොත්තු වන සමාගමේ 2023 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 2023 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 ප්‍රමිතිවලට අනුකූලව පිළියෙල කිරීම හා සාධාරණ ලෙස ඉදිරිපත් කිරීම සහ වංචා හෝ වැරදි හේතුවෙන් ඇතිවිය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් තොරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවනු පිණිස අවශ්‍ය වන අභ්‍යන්තර පාලනයන් තීරණය කිරීම කළමනාකරණයේ වගකීම වේ.

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

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

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

1.5 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 සැලැසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, චේතනාන්විත මඟහැරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මඟ හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.

- අභ්‍යන්තර පාලනයේ සඵලදායිත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් 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.

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE
NAOSL

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

- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත් වී ඇති බව සහ හෙළිදරව් කිරීම් ඇතුලත් 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 ඇතුලත් 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 සියලු තොරතුරු සහ පැහැදිලි කිරීම් මා විසින් ලබාගන්නා ලද අතර, මාගේ පරීක්ෂණයෙන් පෙනී යන ආකාරයට නිසි මූල්‍ය වාර්තා සමාගම පවත්වාගෙන ගොස් තිබුණි.

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

2.1.3 සමාගමේ මූල්‍ය ප්‍රකාශන, 2007 අංක 07 දරන සමාගම් පනතේ 151 වගන්තියෙහි අවශ්‍යතාවයන්ට අනුකූල වේ.

2.1.4 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 තුල, පහත සඳහන් ප්‍රකාශ කිරීමට තරම් කිසිවක් මාගේ අවධානයට ලක් නොවිය.

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 තත්වයෙන් බැහැරව සම්බන්ධයක් ඇති බව.

2.2.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (ඊ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණය 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**
2022 සැප්තැම්බර් 20 දිනැති අංක 25 දරන දේශීය ආදායම් දෙපාර්තමේන්තුවේ සමාජ ආරක්ෂණ දායකත්ව බදු ක්‍රියාත්මක කිරීම පනතේ 02 ඡේදය	කවර හෝ පුද්ගලයෙකු හෝ ආයතනයක් විකුණුම් මත සියයට 2.5 ක සමාජ ආරක්ෂණ බද්දක් දේශීය ආදායම් දෙපාර්තමේන්තුවට ගෙවිය යුතු බව දක්වා තිබුණද, සමාලෝචිත වර්ෂයේ රු.768,985,296 ක් වූ සමාගමේ විකුණුම් ආදායමින් සියයට 2.5 ක් වන රු.19,224,632 ක සමාජ ආරක්ෂණ බද්ද දේශීය ආදායම් දෙපාර්තමේන්තුවට ගෙවා නොතිබුණි.

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

2.3 වෙනත් කරුණු

(අ) 2022 වර්ෂයේදී අවශ්‍ය ප්‍රමාණය පුරෝකතනය කිරීමකින් තොරව බංග්ලාදේශයෙන් රු.38,644,540 ක් වටිනා කි.ග්‍රෑම් 25 කෝස්ටික් සෝඩා බෑග් 5,997 ක් මිලදී ගෙන තිබුණි. 2023 දෙසැම්බර් 31 දිනට මෙම තොගයෙන් රු.15,022,368 ක් වටිනා කි.ග්‍රෑම් 25 කෝස්ටික් සෝඩා බෑග් 1,869 ක් එනම් සියයට 31 ඉතිරි වී තිබුණු අතර, එම තොගයෙහි කල් ඉකුත්වීමේ දිනය 2023 අගෝස්තු 26 දින වීම හේතුවෙන් එම තොගය කල් ඉකුත් වී තිබුණි.

(ආ) අක්කර 227 කින් යුත් පරන්තන් භූමියේ ක්ලෝරීන් නිෂ්පාදන කටයුතු සඳහා යන්ත්‍රාගාරයක් ස්ථාපිත කිරීමට 2016 වර්ෂයේ යෝජනා කර තිබුණු අතර, ඒ සඳහා 2018 වර්ෂයේ සිට 2023 වර්ෂය අවසානය දක්වා ශක්‍යතා අධ්‍යයනය වෙනුවෙන් හා පරන්තන් ඉඩම සංවර්ධනය හා ශාක වගා කිරීම වෙනුවෙන් පිළිවෙලින් රු.7,611,110 ක් හා රු.5,483,617 ක් ලෙස වියදම් දරා තිබුණද, යන්ත්‍රාගාරය ඉදිකිරීම් කටයුතු මේ දක්වා ආරම්භ කර නොතිබුණි.

(ඇ) 2022 ඔක්තෝබර් 07 දින බංගලාදේශය වෙත හිස් ක්ලෝරීන් සිලින්ඩර් 42 ක් රැගත් බහලුම් 3 ක් ක්ලෝරීන් සැපයුම් ආයතනය වෙත යැවීමේදී එම බහලුම් නිදහස් කර ගැනීමට අදාළ ලියකියවිලි නියමිත වේලාවට යැවීමට අපොහොසත් වීම හේතුවෙන් එම ආයතනය වෙත රු.6,830,145 ක ප්‍රමාද ගාස්තුවක් ගෙවීමට සමාගමට සිදු වී තිබුණි. ඊට අදාල පාඩුව වගකිව යුතු නිලධාරීන්ගෙන් අයකර ගැනීමට මෙතෙක් කටයුතු කර නොතිබුණි.

(ඈ) 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 සමාගම නිරතව සිටින බැවින් ශ්‍රී ලංකාව තුළ යූරියා පොහොර නිෂ්පාදනය කිරීමට ඇති හැකියාව පිළිබඳව ශ්‍රී ලංකා නැනෝ තාක්ෂණ (පෞද්ගලික) ආයතනය මඟින් ශක්‍යතා අධ්‍යනයක් කරවා ගැනීමට 2020 දෙසැම්බර් 31 දින රු.35,353,000 ක් ආයතනය ලබා දී තිබුණ ද, 2023 වර්ෂය අවසන් වන විටත් කාර්යය ඉටු කරවාගෙන නොතිබුණි.

(ඉ) වසර 05 ක් ඉක්ම වූ රු.3,687,446 ක ණයගැති ශේෂ 03 ක් සමාලෝචිත වර්ෂයේදී ද අය කර ගැනීමට කටයුතු කර නොතිබුණි.

ඩබ්ලිව්.පී.සී. වික්‍රමරත්න
විගණකාධිපති

Corporate Information

Legal Form

Public Limited Liability Company incorporated in 1991, in terms of the Companies Act 17 of 1982 and later reregistered under the Companies Act No. 7 of 2007. This has been carried out in keeping with the provisions of Public Companies Act No. 23 of 1987 for conversion of public corporations or Government Owned business undertakings into public companies. The powers and functions vested in the Paranthan Chemicals Corporation statute were re-assigned to the Paranthan Chemicals Company Limited by the Memorandum and Articles of Association.

Date of Incorporation

Established in 1957. Re-incorporated on 17th January 1991.

Address

Head Office

No.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.lk

Website

pccl.lk

Principal Bankers

People's Bank

Statutory Auditors

Auditor General Department

Chairman

Mr. S. M. D. C. Karunarathne

Appointed on 22nd February 2023

Mr. A. D. S. K. Nandasiri

Retired on 22nd February 2023

Board of Directors

Mr. W. U. Perera

Retired on 01st January 2023

Mr. S. Amaraweera

Appointed on 16th January 2020

Mr. D. K. Sumanadasa

Appointed on 16th January 2020

Mrs. J. P. Priyangani

Appointed on 24th January 2023

Mr. T. M. D. P. Thennakoon

Retired on 24th January 2023

Mr. Buddika Ruwan Madihahewa

Appointed on 02nd May 2023

Mr. Sunil Poddiwala

Appointed on 31st March 2023

Secretary to the Board

Mr. H.L. Vipula Silva

Principal Officers

Lieutenant Commander Jeewananda Wijesundara, Retired Sri Lanka Navy, General Manager

Notice of the Meeting

Notice is hereby given that the Annual General Meeting of Paranthan Chemicals Company Limited-PB213 will be held on Friday 30th August 2024, commencing at 2.00 p.m. at the "Auditorium" of the Head Office of the Company at No.446, Galle Road, Ratmalana.

Agenda

1. Read Notice convening the meeting and table Proxy.
2. To receive and adopt the Annual Report of the Directors and the Statement of Accounts for the year ended 31st December 2023.
3. Appointed Auditor General as the Company Auditor for the Year 2024.
4. Any Other Business of which due notice has been given.
5. Vote of Thank by the Chairman

By order of the Board

H. L. Vipula Silva
Secretary
8th August 2024

Notes:

- A member is entitled to appoint a proxy to attend and vote for him/her. A proxy need not be a member of the Company. A form of proxy is enclosed for this purpose.
- The instrument appointing a proxy should be deposited at the Head Office at No.446, Galle Road, Ratmalana.
- Shareholders/ Proxy holders attending the Annual General Meeting are kindly requested to bring with them their National Identity Card or any other valid form of identification.

Paranthan Chemicals Company Limited
No.446, Galle Road, Ratmalana
Tel: +94 112437831, +94 112437556
Email: info@pccl.lk Web: pccl.lk