

2020/21

ANNUAL REPORT



GALOYA PLANTATIONS PRIVATE LIMITED



Annual Report

2020/21

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Vision

Our passion is to rebuild the sugar cane industry in Sri Lanka to make worthwhile contribution to expedite high productivity, realizing goals of the stakeholders, and to be the market leader while supporting the green environment

Maximum utilization of all available resources which are potential to rebuild the sugar industry in the eastern province and diversify its business, and to build highly skilled, motivated, professional, dynamic and ethical employees in the organization whilst supporting the environment to generate high and continuous revenue generation

Mission



Profile



Galoya Plantations (Pvt) Limited, (GOPL) was formed in 2007 for the purpose of revitalizing the former Hingurana Sugar Industries Limited, that was closed since 1997.

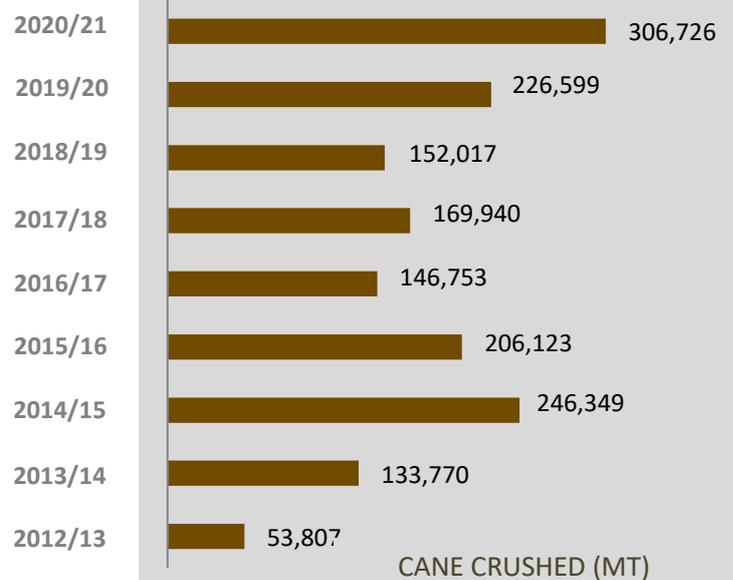
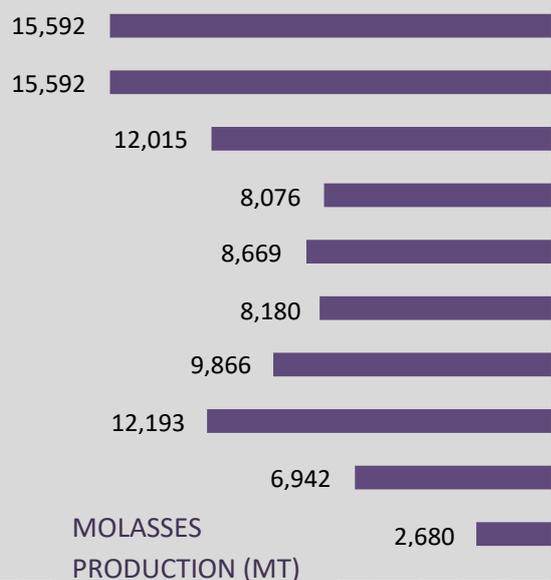
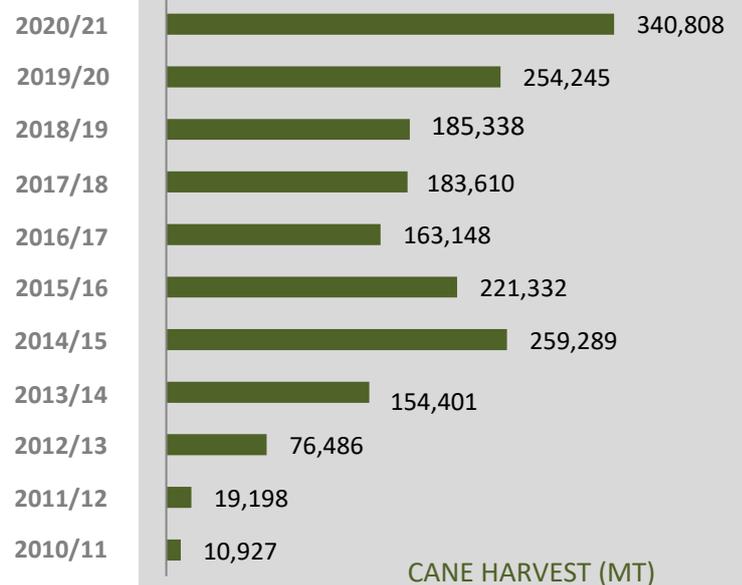
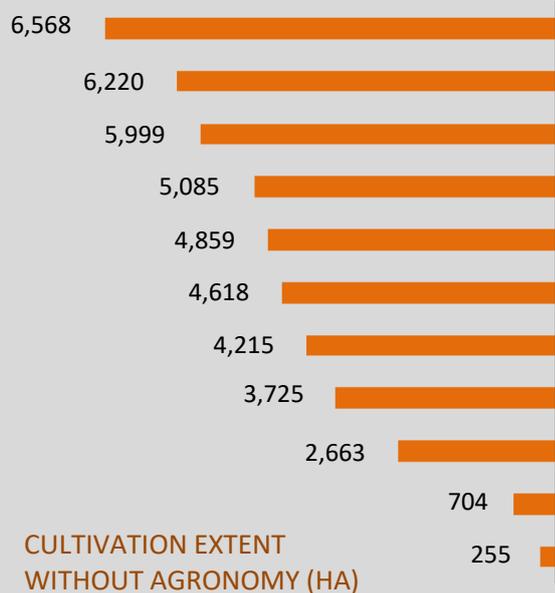
The Public Reforms Commission, on behalf of the Government of Sri Lanka invited expression of interest from the interested parties to restore the Hingurana Sugar Industries Ltd and to re-cultivate the lands attached to the factory.

A consortium led by Brown & Company PLC and Lanka ORIX Leasing Company PLC forwarded a proposal to the Government of Sri Lanka to enter into a Public-Private Partnership (PPP) thereby to revitalize then abundant sugar factory.

Having perused the proposal, a new company was formed as a joint venture between the Government of Sri Lanka and the consortium. In addition, Galoya Holdings (Pvt) Ltd, the consortium was appointed as the exclusive managing agent.

The plantation consists of 7,659 ha of land with approximately 5,200 ha of cultivatable extent allotted amongst 4,400 families. The rest of the area is occupied by factory buildings, housing complexes, high lands reservations, field roads and drainages. The project area is divided into 5 major zones namely Varipathanchena, Galmuduwa, Deegawapi, Hingurana, and Neeththa.

Key Highlights



Chairman's Statement

The financial year ended on 31st March 2021 presented various challenges and opportunities, which the organization embraced as discussed further below, which affected the profitable results as reflected in the financial report.

Galoya Plantations (Pvt) Ltd is one of the sugar factories operating in Sri Lanka and according to the shareholders agreement with the Government of Sri Lanka, 51% of the ownership is held by the government and 49% by the private sector (Brown & Company PLC and LOLC Holdings PLC). This entity is also making a great contribution to the country's economy by strengthening the livelihood of the people of Digamadulu and Wellassa districts by generating many direct and indirect opportunities. At the end of the year, this factory benefits more than 7,000 farming families and the factory has become their livelihood.

I am pleased with the good performance of the organization in 2020/21 as it finished the year with an operating profit of Rs. 749 million, whilst increasing the revenue by Rs. 2,179 million in 2020/21. Turnover of the company increased by Rs.3,000 million compared to the last year 2019/20 and achieved 87% from budgeted turnover in the year 2020/21. Results improved significantly with 2020/21 revenue of Rs. 6,750 million compared to last year Rs. 3,750 million and Gross profit increased 179% and profit after tax increased to Rs. 749 million in 2020/21 from Rs 1,430 million (Loss) last year.

All our departments have worked very efficiently throughout the past years to increase the production and revenue. Therefore, the decrease in net loss by Rs. 2,179 million rupees compared to the previous year's clearly shows the success we have achieved.

The agriculture sector, the manufacturing sector and the distillery are taking the lead in its diversification activities and are moving towards a very timely progress by introducing various new products to the country and have managed to record an income of Rs. 6,750 million in 2020/21. Also, it has been possible to save foreign currency as the import substitution by producing the products needed by the country in the country itself.

By introducing new products, the country's economy has been boosted and new opportunities have been created for the unemployed locals. Efficient bio-fertilizers produced through the bio-unit established on this concept were introduced to the country and farmers are also educated on how to apply them to crops. Also, the production of cinnamon sugar has been introduced as a new aspect of sugar production and the management has been able to carry out various effective tasks and products using all the wastes thrown away from the company. Hence, Galoya Plantations has been top ranked among the zero waste companies in Sri Lanka.

Although the future of the sugar sector is uncertain and challenging due to low sugar prices and rising production costs, considering the strategic importance of this industry from a macroeconomic perspective, we strongly believe that a deep restructuring of the sector is an absolute necessity to ensure its future viability. The Board is very conscious of the need to take bold decisions and innovative actions to meet these challenges and ensure the future viability of the sector. Emphasis is also placed on introducing value added

products as well as diversifying into more profitable markets. Various activities have been carried out and the results will be evident at the end of the year, as the primary objective is to obtain more fruitful sugarcane yield and thus improve the production by conducting in-depth studies on the sugarcane sector.

Unfortunately, with the spread of the Covid-19 pandemic, there was a severe impact on the production process and the harvesting process, but the company successfully faced all those challenges and were able to increase sugar production by 20%, ethanol production by 18%, Compost production by 25% and buy products by 30% compared to the previous year being is achieved by the company. Throughout that period, without stopping or delaying the wages of employees, the company improved the ways of transportation and worked for the welfare of the region and was able to give a better response to the economy of the country that had fallen.

The company has always advocated for the development of the region by fulfilling various social responsibilities and since the establishment of the company till now spent significant amount for it and as the company itself produces the electricity it needs; it has also saved 50 million rupees annually by saving electricity from the national power system. Not only that, effective projects such as the 10 megawatt power generation project and the 3.75 solar power project are expected to contribute to the country's economy by increasing the power capacity generated in the factory and providing power to the national power system to be used in areas with power outages. Also, various projects have already been started and are expected to be done in



the future to improve the production, factory, sugarcane yield and power generation. Thus, Galoya Plantations hopes to help the country recover from the economic crisis by contributing to the country's economy.

I wish to express my sincere thanks to the shareholders for their continued trust and to the Chief Operating Officer, the management team and all the staff for their commitment and hard work. Finally, I wish to express my appreciation to my fellow directors for their support and contribution during the year.


Gayan Dissanayake
Chairman

Executive Director's Statement

I am pleased to report on the performance of Galoya Plantations Private Limited for the financial year ended 31st March 2021.

Galoya Plantations is having 51% majority owned by the government and 49% owned by LOLC PLC and Brown & Co. PLC the private sector. The government share of 51% considered movable and immovable property, including the closed factory and abandoned land. Remaining 49% holds the private sector invested by LOLC and Browns as private investment. This is the first Public Private Partnership of the Sri Lankan Government.

As at 31st March 2021, Galoya Plantations has achieved the first ever profit before tax of Rs.749,367,009 while reaching the profit before interest and taxation of Rs. 2,799,257,786. Galoya Plantations has invested Rs. 14.22 billion towards the resuscitation of the Hingurana Sugar Factory for the financial year. The year's turnover has increased to Rs. 6,750 mn from Rs. 3,750 mn in the previous year 2019/20.

Productivity of the company has skyrocketed as result of improved efficiency operation, new machineries, proper agriculture practices, product diversification and better management. Galoya Plantations has achieved sugar production of 19,232 MT at the end of financial year 2020/21 by crushing 306,726 MT of sugarcane. We produced 5,531,868 liters of ENA by operating 248 days.

Sugar industry is an agriculture industry which mainly depends on the external factors such as weather, diseases and the government policies. These factors changed time to time, resulting favorable and unfavorable manner to the industry. Presently the products of Galoya Plantations consist with Sugar, ENA and Bio Fertilizer. Apart from the revenue that we directly generated; many more projects are in operation to utilize all waste in to a value added products to save the cost of operation.

Projects implemented are mentioned below;

- 2 MW of Electricity (own consumption)
Saving electricity in the national grid by generating electricity that we need for our company by ourselves.
- Biogas Production
Production of biogas using Vinash generated from the distillery and thereby reducing the use of furnace oil required to operate the boiler.
- Use of steam
Using the steam produced in the sugar factory for the operations of the Distillery, thereby reducing the amount of furnace oil consumed for it.
- Use of fly ash
Collecting ash generated from the factory and applying to the fields as required to increase the soil quality.
- Water Recycling
Recycling the water coming out from the factory and re-using for the factory operation.
- SAPP, NCRCS Loan Programme
Helping farmers to improve their cultivation by providing credit facilities and necessary equipment.
- Prevention of White Leaf Disease
Control of white leaf disease by using several methods such as; Seedcane Hot water treatment, Applying Glyphosate chemical, Use of insect attractive traps, establish Wild Sunflower bio fence surrounding of fields, Planting of Insect Repellent plants.
- Meteorological Station
Collection of Meteorological Data and Forecasting of Sugarcane Cultivation Activities, Sending the collected weather data to the Department of Meteorology

In addition, new projects have initiated for the development of the company, farmers as well as the national economy;

- Expansion of Sugarcane cultivation up to 10,500 hectares
- Introduction of new cultivation methods
Ring-pit planting method
- Establishment of Bio unit to increase the compost yard capacity, initiation of mechanical packing and establishment of Soil Testing Laboratory
- Improvement of Bio fertilizers
- Satellite Technology for land mapping, Identifying the past and present condition of lands
- DRONE Technology for field monitoring, application of agrochemicals
- Bio Fertilizer Laboratory to development of bio enzyme to degrade sugarcane trash, development of bio fertilizer using Phosphate solubilizing microorganisms (Including bacillus, trichoderma, pseudomonas, Rhizoctonia etc)
- Factory Expansion from existing 2000TCD by another 2500TCD and creating new production lines with Generating 15 MW of electricity and releasing 8.75 MW of electricity to the national grid
- CO₂ Extraction Plant to purify CO₂ produced by the Distillery and releasing for commercial purposes
- Roof Solar Project
Generating 3.75 MW of solar power and release it to the national grid
- Increasing the value of products of Cinnamon Sugar

We look at the year ahead with optimism and expect the industry environment to be more conducive and the sustainable initiatives that the Company has planned to launch yield dividends to increase the interest of cultivation. The Company possesses significant strengths; such as a land extent of 5,202 ha allocated exclusively for Sugar cane; knowledge and expertise of farmers who count more than 50 year experience; access to irrigation facilities and infrastructure facilities, and direct coordination with the Sugarcane Research Institute on seed cane and research and knowledge and experience of other staff.



The share owned by LOLC PLC and Brown and Company PLC have provided utmost support for the management of the Galoya Plantations since the inception of the company.

I wish to thank our Ministry, Treasury, LOLC and Browns Management, Board of Directors for continuing support throughout the period. Also, I wish to thank our valuable farmers, management staff, all the employees, workers for the cooperation and commitment, throughout the year.

A handwritten signature in black ink, appearing to read 'Danesh Abeyrathne', written over a horizontal line.

Danesh Abeyrathne
Executive Director

Chief Operating Officer's Statement

I am pleased to report on the performance of Galoya Plantations Private Limited for the financial year ended on 31st March 2021.

At the end of this financial year, the total area under sugarcane reached to 6,568 ha which is the highest sugarcane area reported ever up to this financial year. Lands of sugarcane belongs to our company extend over major zones namely Varipathanchena, Galmaduwa, Hingurana, Neeththa, Deegawapiya & out grower areas in Ampara and Siyambalanduwa. Over the year 2020/21 we executed the planting programme of 2,583 ha. Further, seed cane harvested in a financial year was reported during this period as 34,082 MT.

During the season of 2020/21 commercial cane of 306,726 MT has been harvested from our cane cultivated fields. Based on the cane supply, company produced 19,232 MT sugar and 15,592 MT of molasses at the renderment of 6.27. In addition, we produced 5,531,868 liters of ENA from the molasses produced in this year and the ex-stock of last year. But we produced only 1,250 MT of Bio Compost for the period due to no sales commenced.

Some of the main problems of the sugar sector are low levels of productivity, mill/distillery capacity utilization and scale of operation, scarcity of labour, an absence of a proper pricing mechanism for sugarcane, sugar and its by-products, border measures for the protection of the industry and a proper legislative and institutional framework. Shortage of fertilizer and weedicides in certain duration due to Government new regulations had also affected the cane yield. Government has banned some weedicides and limited the import of fertilizer, but no alternatives were recommended for chemicals and shortage of fertilizers in open market. Lack of water supply and water lodging in some lands, poor ratoon management by some

farmers which resulted the drop of yield in some fields even we did the timely harvest.

The COVID pandemic had affected worldwide including our country since the beginning of year 2020. Continuous area lockdown and curfew were imposed to control the spreading of diseases caused closed down of almost all of the industries in Sri Lanka. We as an agriculture based industry, continuous operation was vital even in that critical stage. The COVID-19 pandemic posed major challenges to the sugar industry, causing supply chain and logistic disruptions.

The proper management, correct guidance from Health Departments as well as the top management, we able to operate continuously and achieved the historical net profit of Rs. 749 million for the financial year 2020/21.

At present Galoya Plantations is having over 8,000 farmers and created over 40,000 direct and indirect income opportunities in Digamadulla area. In addition to sugar production, ENA and organic fertilizer is produced using its byproducts for the time being. Galoya Plantations is having the largest organic fertilizer yard in Sri Lanka. Apart from the revenue that we directly generated; many more projects are in operation to utilize the all waste in to a value added products to save the cost of operation. Biogas Production, Fly ash as the soil enrichment, Water Recycling, Farmer Loan Programme (SAPP, NCRCS), expansion of Sugarcane cultivation, Introduction of new cultivation methods, Establishment of Bio unit, Increasing the capacity of the compost

Initiation of mechanical packing, Establishment of Soil Testing Laboratory, Improvement of Bio fertilizers, use of Satellite technology for Mapping of cultivated lands and Identifying the past and present condition of lands using satellite images, use of Drones for Field test monitoring, Application of agrochemicals to crops etc, establishment of Bio fertilizer Laboratory, sugar Factory Expansion, CO₂ Extraction, Roof Solar Project to generate 3.75 MW of solar power and release it to the national grid, development of Cinnamon sugar as value of product are some initiatives that we already started for the development of the company, farmer and finally the economy of the country. It foreshadows the further strengthening of the Digamadulla economy and Digamadulla will be able to increase its prosperity through the Galoya Plantations projects.

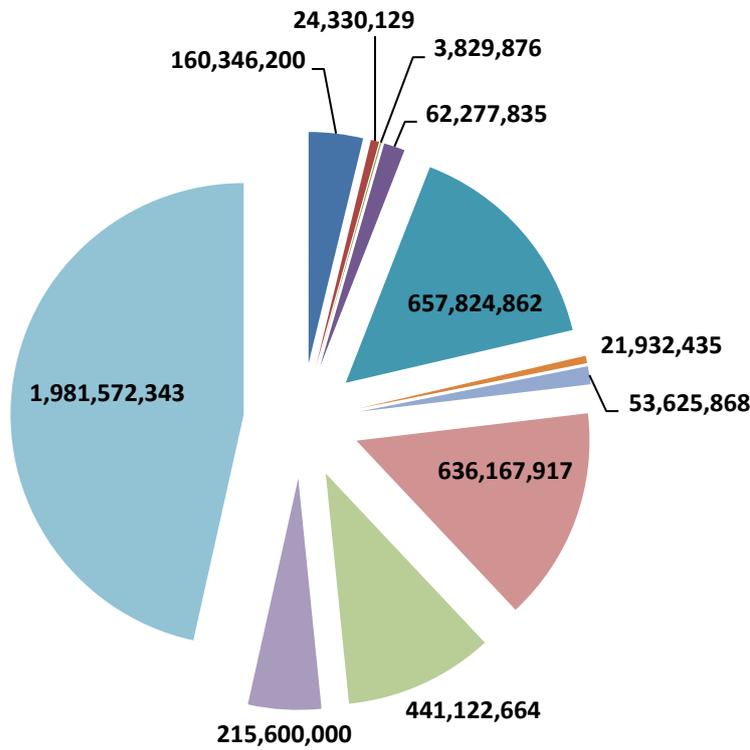
Despite the challenges in the sugar industry, your Company's capital and financial resources are well-positioned. Moving forward, we further aim to strengthen our business through our diversified, zero waste production. In such challenging times, we have emerged out stronger than ever. Since reopening of economy, our team has demonstrated exemplary abilities to ensure we bounce back faster. We also implemented shift basis 'work from home' model, during the very critical duration of Pandemic prioritising the safety of our employees and their families as well as the cautious operation of the factory. We proud to mention that we have excellent team of employees, management and the board of directors that they have given fullest contribution for the continuous operation to safeguard the sugarcane farmers, employees, indirect beneficiaries and the company.



I wish to thank our Ministry, Treasury, other ministries, LOLC and Browns Management, Chairman, Board of Directors for continuing support throughout the period. Also, I wish to thank our valuable farmers, management staff, all the employees, workers for the cooperation and commitment, throughout the year. Further, I thank to all the religious leaders, who supported and being with us in all critical situations.

Surath Perera
Chief Operating Officer

Financial Highlights

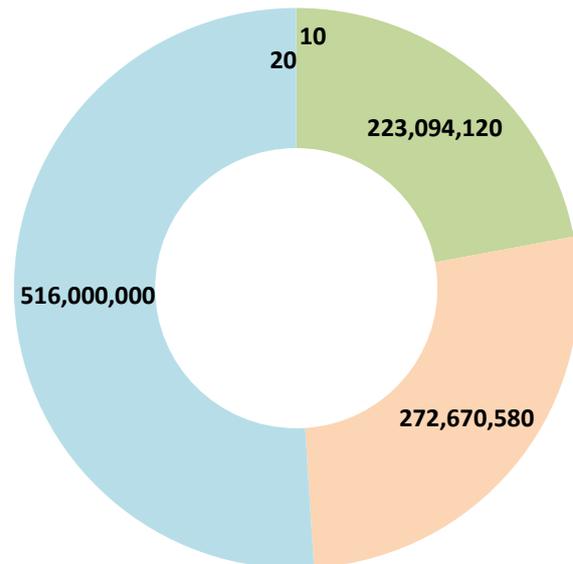


TOTAL ASSETS (RS.)

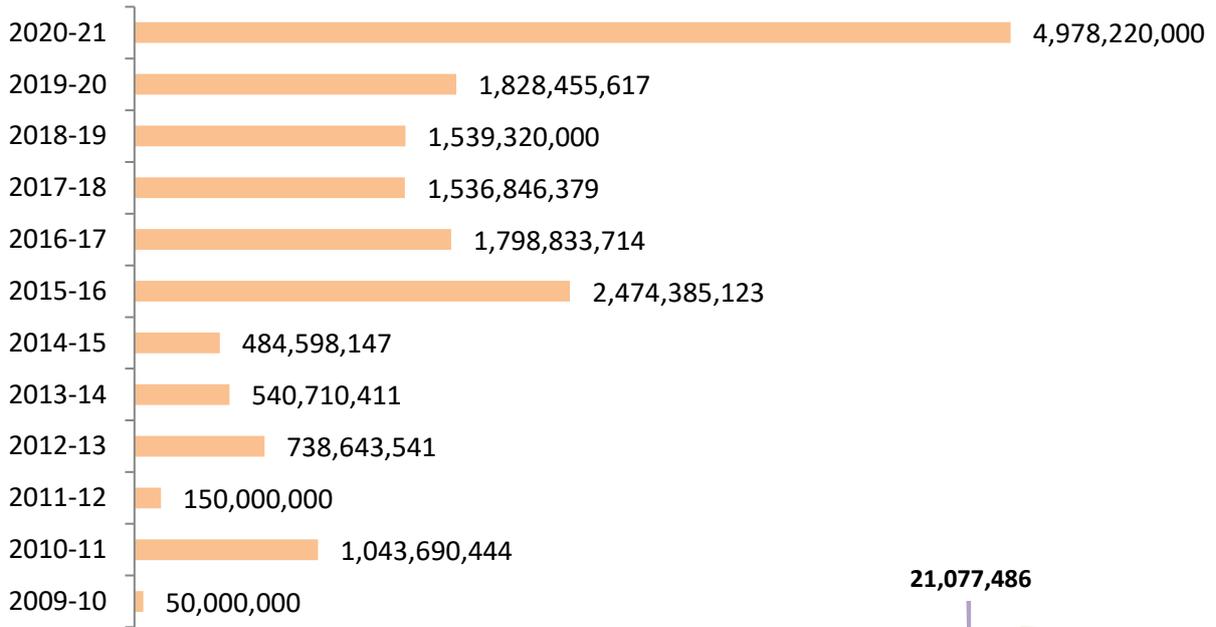
- Cash and Cash Equivalents
- Income Tax Receivable
- Amount Due from Related Party
- Trade and Other Receivables
- Inventories
- Biological Assets
- Infrastructure Development
- Loans Given to Farmers
- Capital Work-in-Progress
- Right to use Land & Buildings
- Property, Plant and Equipment

SHAREHOLDING (%)

- Ishara Chinthaka Nanayakkara
- Gal Oya Holdings (Private) Limited
- Brown & Company PLC
- LOLC Holdings PLC
- Secretary to the Treasury

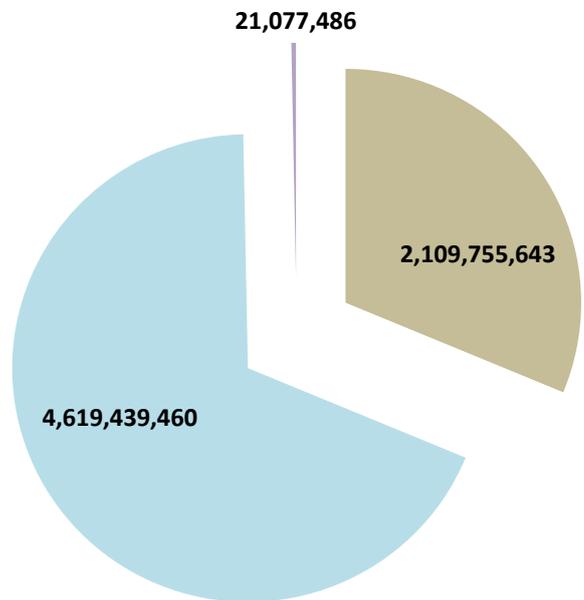


BORROWINGS/RE-FINANCE (RS.)

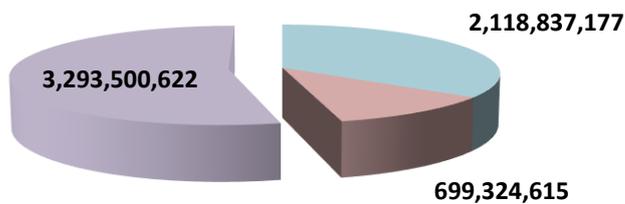


REVENUE (RS.)

■ Sugar sales ■ ENA sales ■ Bio-Compost sales

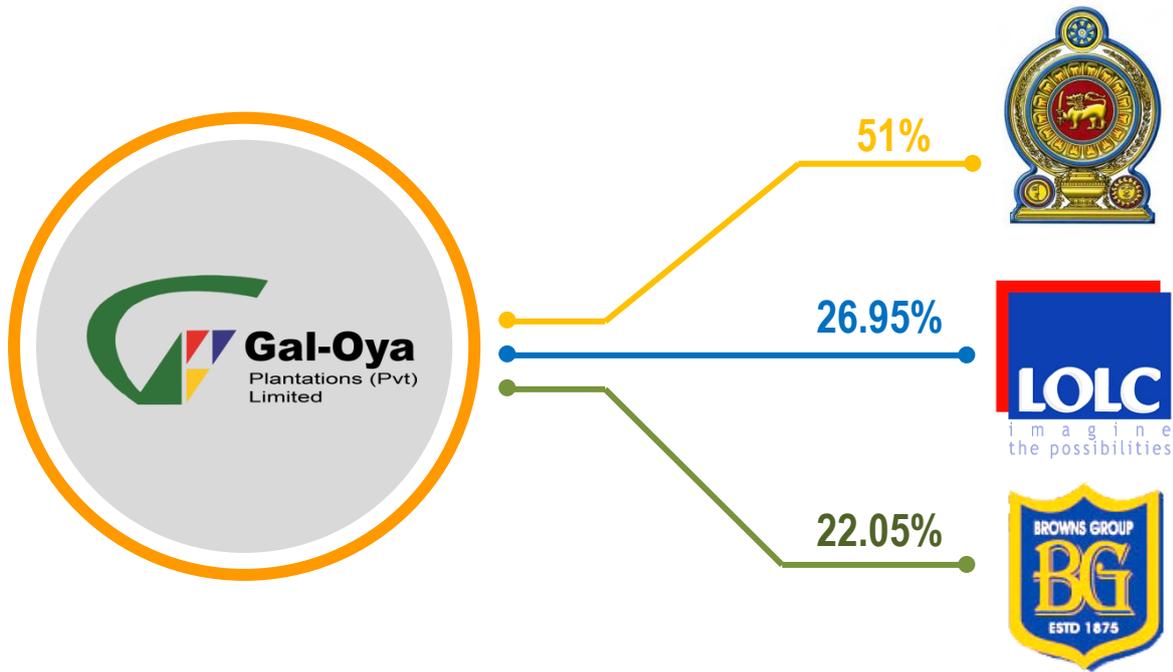


COST & EXPENSES



■ Finance Cost
 ■ Staff Cost
 ■ Direct & Administration Cost

Shareholders



LOLC Holdings PLC

Thirty-five years ago, a company with a very good eye for the future and the facility of reading the times with accuracy opened its doors to provide what was then Sri Lanka’s pioneer portfolio of leasing solutions to an eager market. This company was Lanka ORIX Leasing Company (LOLC). Over the intervening years; this bold and dynamic approach has enabled LOLC to grow its business beyond the field of leasing and into many other areas within the financial services realm. Its aim then was to become one of Sri Lanka’s premier total financial solutions providers. LOLC soon became the LOLC Group as it established group companies specialized in offering financial services beyond leasing, such as factoring, savings and deposits, tailored financial products for the SME sector, microfinance, Islamic financing and foreign currency deposits. Leveraging the synergies from its diversified portfolio, LOLC began to offer services such as fleet management, information technology and vehicle-related services. LOLC took strategic decision to align new business development with the emerging areas of growth and development in Sri Lanka and this has seen the Group move into areas such as Agriculture, Leisure, Construction and Renewable Energy whilst continuing to grow its existing portfolio. Today, LOLC is one of Sri Lanka’s truly sustainable business conglomerates. What has not changed or diminished however are the qualities of dynamism, agility, passion and that unique ability to open up opportunities for all. One of LOLC’s core deliverables across all businesses is empowerment. From budding entrepreneurs to top corporate, its business has always been about delivering products and services that enhance and advance lives and livelihoods; about making dreams come true and fulfilling long-held aspirations; about empowering people.



Government of Sri Lanka

The government of the democratic socialist republic of Sri Lanka has decided through its participation in the Company to proceed with the revitalization of Hingurana Sugar Industries Limited (“HSIL”) for the revival of the sugar factory at HSIL for the production of sugar, alcohol, ethanol (e-diesel), to ensure that sugar cane shall be purchased as per pricing formula linked to the prevailing Domestic Industry Average and to maintain the existing irrigation infrastructure to sustain the existing areas of cultivation and to generate electricity as a byproduct.



Brown & Company PLC

Brown & Company PLC (BCL) is a diversified conglomerate with operations in seven key industry sectors. BCL use their deep understanding of Sri Lankan consumer needs derived from over 145 years in business, to deliver quality in products and services to Sri Lankans everywhere.

Browns is the Sri Lankan home for many leading global brands. Building global brands into local market dominance is a skill Browns has mastered over a century. International brands benefit from Browns’ intimate understanding of local markets, sales and marketing expertise, distribution infrastructure, partnership-oriented organisational culture, corporate reputation, and financial strengths, as well as its synergistic relationship with LOLC, Sri Lanka’s largest financial services conglomerate. Browns Group has gathered in-depth local market understanding over a period of almost 150 years, making the Group uniquely positioned to deliver success to global brands in the local market.

BCL have grown quietly yet exponentially into the active, sophisticated and valuable company it is today – simply and unobtrusively, by greatly expanding our portfolio and delivering excellence in products, services and value to everyone we serve.

Board of Directors (as at 31st March 2021)



Mr. Gayan Dissanayake - Chairman

Mr. Dissanayake worked as Chairman of the Thambapanni Sinharaja Plantations (Pvt) Ltd and Cricket Umpire Association at Rathnapura, and Director of Ministry Development, Employment and Labour Relations and the Creamy Milk Products (Pvt) Ltd. President of the National Organization for the protection of Farmers Rights. Also worked as Founded Chairman of Sanara Company (Pvt) Ltd. He follows a Diploma in Business Management at Sabaragamuwa University.



Mrs. M.D.K. Rathnayake - Director

BSc (Business Administration) degree at Sri Jayawardanapura University and Master of Arts (Economic Development) at Colombo University and Master of Arts (Public Policy) degree at Australian National University. Currently she serves as the Additional Director General of the Department of Treasury Operation. During her eminent career she has held a number of key state positions starting from the Asst. Director of Department of Public Finance, Deputy Director of Department of Public Enterprises, Director of Department of Treasury Operations. She has also performed as the Acting General Manager of National Savings Bank & the Regional Development Bank and as the Chairperson of Agriculture & Agrarian Insurance Board. In addition, she has been representing the General Treasury in a large number of Managing Boards of State Owned Enterprises periodically including Peoples Bank, State Pharmaceutical Corporation, Ceylon Petroleum Storage Terminals Limited etc.

Resigned Directors

Mr. D.M.L. Bandaranayake - Director

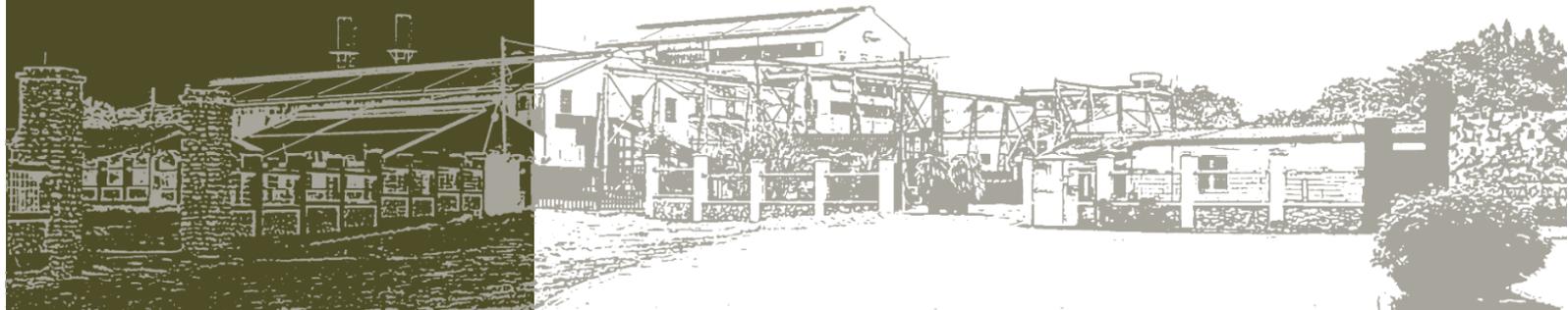
Resigned w.e.f. 24th January 2022

Mr. K.B.Kotagama - Director

Resigned w.e.f. 15th October 2021

Dr. Asiri Dissanayake - Director

Resigned w.e.f. 01st October 2022



Mr. K.A.K.P. Gunawardena - Director

Attorney-at-Law, Postgraduate Diploma in Marketing Management (PIM) Sri Jayawardenapura Chief Operating Officer - LOLC, Chief Legal Officer - LOLC Group. Joined LOLC in 2004 and counts over 30 years of experience as a Lawyer. He has held a number of important positions in the State, including the office of State Counsel attached to the Attorney General's Department, the Office of Director – Legal & Enforcement of the Securities and Exchange Commission of Sri Lanka and the Insurance Board of Sri Lanka and was involved in setting up the Consumer Affairs Authority as its first Director General. He serves on the Boards of a number of local and overseas subsidiaries within the LOLC Group.



Mr. W.K.D.T. Abeyrathne - Director

Bachelor of Science (Engineering) (Hons), Associate Member of the Chartered Institute of Management Accountants (UK), Associate Member of the Chartered Institute of Marketing (UK), Associate Member of the Chartered Global Management Accountants (USA), Associate Member of Institute of Engineers (SL).

Mr. Abeyrathne is an Executive Director of Galoya Plantations (Pvt) Ltd and Director of Gal-Oya Holdings (Pvt) Ltd. He is also an Executive Director of Brown & Company PLC. He has more than 11 years experience in managerial level in several leading companies including multinationals. He has worked for foreign projects when he was working for multinationals.



Mr. Wasantha D. Batagoda - Director

LL.B (Hons) ,(Colombo) LL.M (Colombo). Attorney –at – Law

Wasantha Batagoda is an Attorney at Law, counting more than 20 years of active practice in legal profession. He was admitted to Bar in 2003 and was in legal practice in Original courts and in Appellate Courts as well. He earned Second class honors in LL.B from Faculty of Law, University of Colombo and also obtained Masters in Intellectual property Law from Faculty of law of University of Colombo. He has appeared in many high profile Criminal cases with Senior President Counsel till 2014. He joined LOLC Group in 2014 as Assistant General Manager and currently works as Head of Legal of LOLC & Browns Group. He is also a director in several subsidiaries of LOLC Group.



Senior Management



M.M.D.S. Perera
Chief Operating Officer



S.M.S.P. Kumara
AGM – Factory



K.T.S. Kumara
Chief Manager - Agriculture



H.M.A. Bandara
Chief Manager - Plantation





A.H.W Madushan
AGM – HR & Administration



W.A.N. Chathuranga
Chief Manager - Distillery



H.C Gunarathne
Senior Accountant



T.I Wijesinghe
Senior Workshop Manager



Cultivation



The plantation area allocated for sugarcane cultivation only has consists of approximately 5,200 ha allotted amongst 4,400 families. The project area is divided into 5 major zones namely Varipathanchena, Galmuduwa, Deegawapi, Hingurana, and Neetha. Out of this extent, only 4,860.50 ha is cultivable due to sand mining, brick making, construction of permanent building etc. Apart from this extent, farmers those who are interest to cultivate sugarcane in their private lands may cultivate and provide their harvest at the same benefits to sugar factory.

Outcomes

For Year Ended, 31st March 2021

328,053 MT

Cane from Plantation

2,583 Ha

Planting completed

12,755 MT

Cane from Agronomy

6,046 Ha

Existing cane land
area

CULTIVATION

400,445 MT

Cane from Plantation

Targets

For Year Ending,
31st March 2022

14,530 MT

Cane from Agronomy

2,705 Ha

New & Re-planting

The plantation vested 7,659 hectares (ha) for Hingurana Sugar Industries with approximately 5,200 ha of irrigated land allotted amongst 4,400 families. The project area is divided into 5 major zones namely Varipathanchena, Galmaduwa, Deegawapi, Hingurana and Neeththa. A nucleus estate with an extent of 166 ha of land with a water scheme will be supporting the 5200 ha of cultivatable land for sugar cane.

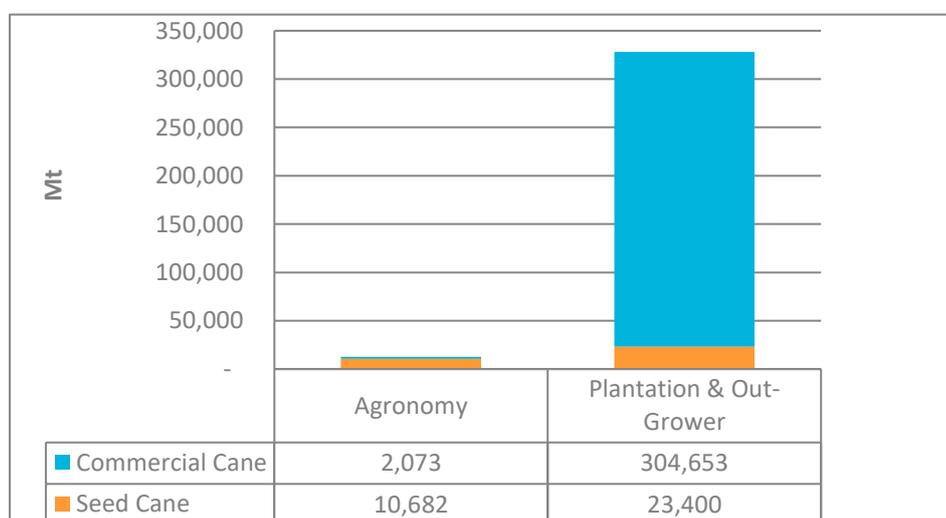
Location	Extent (ha)	Number of Allottees
Varipathanchena	1,067	947
Galmaduwa	1,233	926
Deegawapi	1,034	870
Hingurana	764	697
Neeththa	1,104	1,001
Total	5,202	4,441

SUGARCANE NURSERY

Agronomy Division of GOPL has been producing seed cane, monitoring and controlling of pest and disease, conduct extension programme for agriculture staff and farmers. As well as, conducting research on various aspects of sugar cane agriculture in collaboration with Sugarcane Research Institute (SRI). The division maintains over 20 SRI sugarcane clones as a source of future planting material and trial programs. The nursery area consists of 201 ha, out of which 72 ha was planned for the maintenance of primary seeds and 120 ha for the secondary nursery. In addition to the nursery, contract seed cane farmers also provide seeds in order to fulfill the total seed cane requirement.

ACHIEVEMENT

At the end of the financial year, we have 6,400 ha of cultivated sugarcane lands in 5 major zones namely Varipathanchena, Galmaduwa, Hingurana, Neeththa, Deegawapiya & out grower areas in Ampara, Siyambalanduwa, Mahaoya and Nelloyadda.



SMALLHOLDER AGRIBUSINESS PARTNERSHIP PROGRAMME (SAPP)

GOPL partnered with Smallholder Agribusiness Partnership Programme (SAPP), with the objective of increasing the cultivation area and the income of the allottees in Ampara District by expanding the inter-cultivation together with sugarcane yield. The objectives of the partnership were to increase sugar cane yield and to increase the farmer income. The key features of the partnership included extension support, access to credit for working capital, crop insurance and equipment grant for farmers. In this programme 4,000 beneficiaries were included in to the partnership and received a maximum of Rs. 230,000 with low cost debt financing at 6.5% per annum interest rate and a grant of Multifunction machine value of Rs.

PROGRESS OF PLANTATION

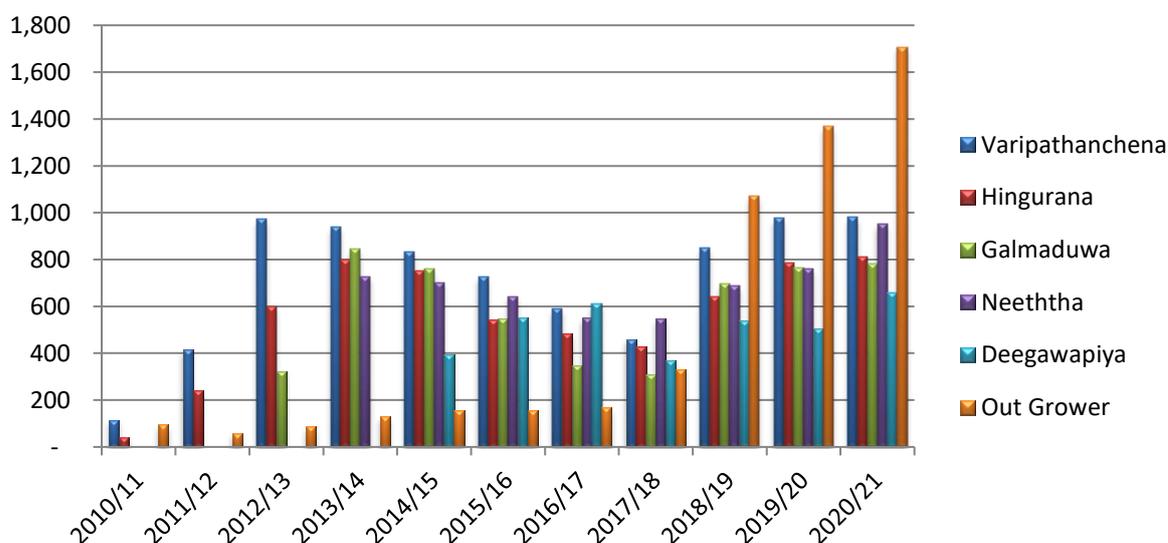
During the season of 2020/21 commercial cane of 306,726 MT has been harvested from our cane cultivated fields and Agronomy fields. In addition to the commercial cane, 34,082 MT of seed cane has been harvested during this period. The area under Plantation Department has harvested 304,653 MT of commercial Cane and 23,400 MT of Seed cane of cane and yield was 55 Mt/ha.

NEW PLANTING FOR THE YEAR 2020/21

New Planting Ares	Extent (ha)
Agronomy	161
Plantation	1,781
Out Grower – Ampara	244
Out Grower – Siyambalanduwa	397
Total	2,583

EXISTING CANE AREA (AGRONOMY + PLANTATION + O/G)

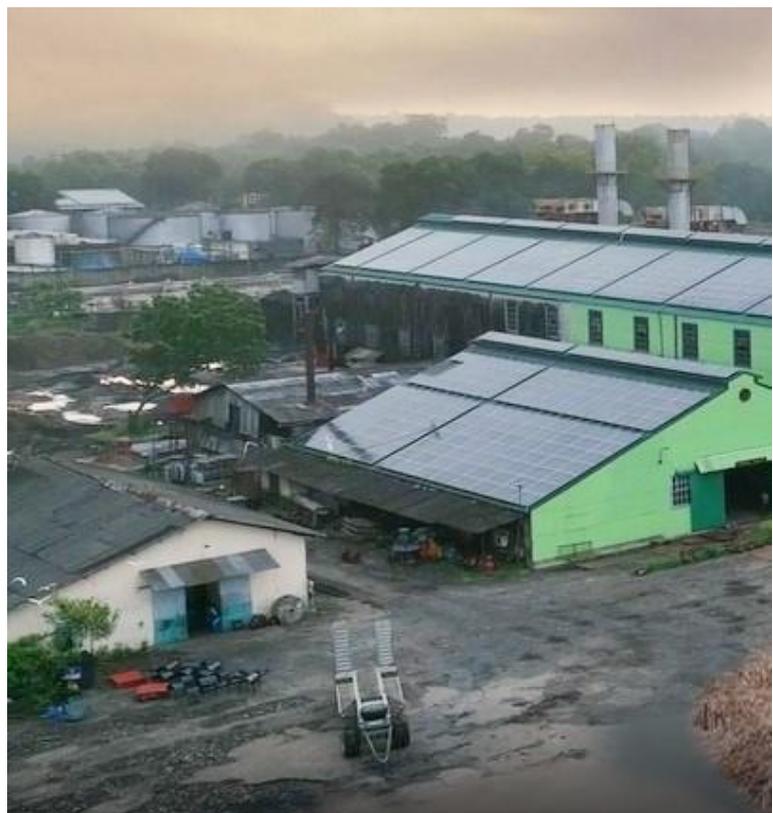
Crop Type	Extent (ha)
Plant Crop	2,463
Ratoon-1	1,815
Ratoon-2	1,255
Ratoon-3	390
Ratoon-4	74
Ratoon-5	24
Ratoon-6	7
Ratoon-7	7
Ratoon-8	8
Ratoon-9	2
Ratoon-10	1
Total	6,046



Sugar Production

The Hingurana Sugar Factory, which was established in 1955 as the first sugar project under Galoya Valley development project of Mahamanya DS Senanayaka, operated under several ownerships until its closure in 1994.

Galoya Plantations has taken over the abandon factory in 2007 and commenced the first trial on 02nd May 2012. Renovations of the remaining sections have continued and commenced its complete operation after 15 years on 16th July 2012.



Outcomes

For Year Ended, 31st March 2021





Targets

For Year Ending, 31st March 2022

The Hingurana sugar factory located in the Galoya valley was first built and opened in the 1960s. Gifted by the Czechoslovakian Government the factory was fondly known as “The Giant of Asia” and was one of the largest sugar factories built using modern machinery in the region at that time. The factory machinery was supplied by the company named “Mirrlees Watson” in United Kingdom. The rated capacity of the plant is 2,000 tons per day (TCD). The factory consists of 3 roller five mill tandems with a vacuum pan sugar processing system. Plant produces crystal brown sugar and follows the defecation process.

The factory complex which was owned by the government since 1960 was closed on 1997 due to union unrest and mismanagement. Galoya plantations (Pvt) Ltd was started revitalizing of the factory in 2009 and first crushing was done in 2012.

Following operations handled by the factory department

- Checking quality of the sugar cane
- Sugar cane preparation and milling
- Producing commercial sugar
- Checking the quality parameters of the sugar
- Steam and power generation
- Water purification
- Electrical and instrumentation works
- Fabrications, repairing and foundry works
- Civil construction and repairing works

ACHIEVEMENTS

Spreading fly ash emitting from the boiler chimneys to surrounding area was a very big issue. Installed a fly ash arresting system to correct this issue and it was successfully commissioned during financial year 2018/19 Period.

FACTORY STRENGTH

2,000 TCD Capacity factory produce high quality brown sugar with the standard limits.

Crushing capacity – 2,000 TCD with five mill tandem.

Sugar production – 160 MT/day

Boiler capacity – 35 TPH, 02 Nos

Power generation – 2 MW

FACTORY ACTIVITIES

The industrial process for sugar manufacturing involves the application of several processes to transform sugarcane juice into sugar crystals by removing impurities.

The manufacturing process consists of the followings

- Milling
- Clarification
- Evaporation
- Crystallization
- Separation
- Drying
- Packing

Quality Control Unit:

Determine the cane quality by measuring the trash basis and available sugar percentage of harvested sugar cane.

Mill Section:

Sugar cane preparation is being done by using 02 Nos cutters and milling is being done by the three roller five mill tandem. Steam turbines are giving required power for the mill

Production Section:

Sugar cane juice is going through clarification and evaporation process to produce syrup. Sugar crystals are forming using this syrup and then separation is done. Finally this sugar goes through drying and finally produces 50 kg sugar bags.

Laboratory:

Measuring the quality parameters of each and every stage of sugar manufacturing process.

Boiler Section:

02 Nos, 35 TPH capacity boilers produce required energy (steam) for the entire factory to run 2MW power turbine and 05 nos mill turbines.

Factory Workshop:

Require fabricate and machining works. Doing foundry works.

Electrical Section:

Generating Power and attending to all electrical and instrumentation works in whole company like power distribution and maintenance, AC service & repair, etc.

Civil Section:

All civil construction and maintenance, Carpentry and masonry works

Water Treatment Plant:

The water purification plant and pumping station works have been completed and commenced its operation by providing purified water to all company premises from January 2012. The plant has the capacity of 250,000 LPH.



Distillery



The old distillery was renovated and upgraded to the capacity of 21,500 lts per day in 2016/17 with the investment of Rs. 1,250 mn and commercial operation started in year 2017/18. The Distillery complex designed for production of 21,500 Liters of Alcohol per day, 10,000 m³ Bio gas per day, 7,000 MT Bio fertilizer per Annum, & 400,000 Liters per day of waste water treatment plant.

5,531,868

Lt
ENA Production

19,221

MT
Molasses consumption

248

Days
No of Operating Days

Outcomes

For Year Ended,
31st March 2021

DISTILLERY

5,917,762

Lt
ENA Production

21,135

MT
Molasses consumption

276

Days
No of Operating Days

Targets

For Year Ending,
31st March 2022

DISTILLERY

The Distillery complex configuration is towards the zero Liquid Discharge system (ZLD). This is the only plant in Sri Lanka having modern mechanism towards the waste to wealth concept also we proud that Gal Oya is the only plant having the Environmental license and appreciations. The Complex designed state and art of technology of the product ENA, CO2, Bio Gas and Bio Compost.

The Quality of ENA is on par with imported one. Almost all the liquor manufactures preferring our ENA for manufacturing of superior quality of liquors.



Pic: View of Multi Column Distillation

AROMA WHEEL (ENA SENSORY)



We designed ENA plant such way get superior quality ENA by using multicolumn distillation (7 Columns) to meet out the international standards. The latest analysis reports confirmed that the strength of final product of ENA is around 96.5 % and the quality is equal to ENA imports in all means. Our ENA product has the required standards for making the Local made foreign Liquor. In the Sensory point of view it has meet the international standards rating of around 8.0 points. Our product is being sold to all major bottlers in our country.

BIO DIGESTER

Bio digestion is sequence of processes by which microorganisms break down biodegradable materials in the absence of oxygen. The Digester is operating under anaerobic bio-methanasation system. It is a micro biological process. The microbes present in the digester consist of three major groups which converts the organic matter into methane and neutralized treated effluent.

The digestion process begins with bacterial hydrolysis of the input materials. The first group of bacteria and hydrolytic bacteria which converts complex organic matter into simple monomers. The second group of monomers involves both acetogenic and acidogenic which converts the monomers into acetic acid and volatile acids. The third and final group of bacteria involves the methanogenic group which ultimately converts acetic acid and other volatile acids into Bio gas which is finally utilized in the boiler for generating steam in place of conventional fuel like furnace oil.

About 60 to 65%, chemical oxygen demand and 80 to 85% bio-chemical oxygen demand are converted into Bio-gas with a retention time of 30 days. At the same time, the pH of the effluent is raised to 7.0 to 7.5 due to buffering ions released during entire reaction without addition of neutralizing agent.

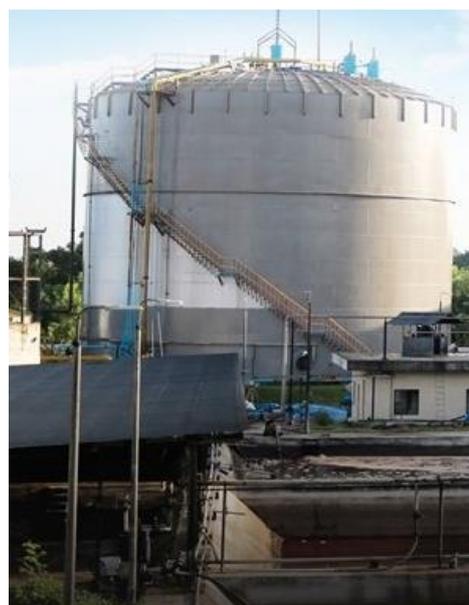
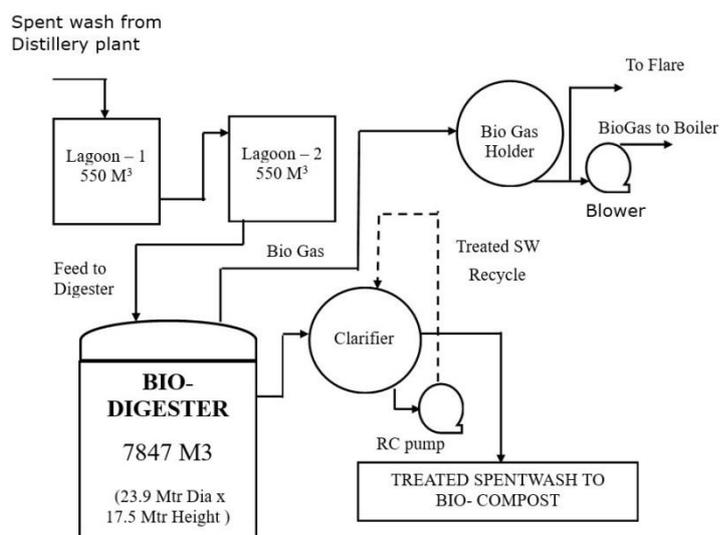
Features of Bio-methanasation process :-

- Chemical oxygen demand reduction :- 60-65 %
- Bio-Chemical oxygen demand reduction :- 80-85 %
- Valuable renewable energy Bio-gas produced and utilized in the boiler.
- Acetic effluent is getting neutralized to the pH of 7 – 7.5

BIO GAS COLLECTION & HANDLING

The biogas produced in bio digester is collected through gas holder provided separately. Then the biogas is transferred to the boiler by using biogas blowers. Water seal type flare unit is provided for excess gas burning which also act as a pressure control device.

BIO-METHANATION PLANT - FLOW DIAGRAM



Bio Compost Processing Unit



The Distillery complex having the Bio compost process unit which is the largest plant in Sri Lanka having the production capacity of 7,000 Ton per annum. The whole Bio compost process designed such a way to handle the waste from Sugar Factory and Distillery and generate the wealth in term of high nutrient Bio manure. The Bio compost can be an option for replacement of Inorganic manure which is being imported for our country requirement.

PROCESS DESCRIPTION

Bio Composting is the biological process, decomposition of ligno-cellulose material into a simple compound, a humus-like end-product called “Bio compost”. It is a rich source of organic manure. It also helps significantly improve the soil fertility and crop growth

The process is Aerobic which involves the various native Thermophilic micro-organisms such as Bacteria, Actinomycetes and Fungi to break down the higher organic compounds, like cellulose and lignin's, into simpler substances. During composting, the micro-organisms consume oxygen while feeding on organic matter, and multiply. Active composting generates a considerable amount of heat. The loss of carbon-dioxide and water vapor reduces the weight of the initial dry organic matter their by producing organic compost

The composting process is divided into the following stages:

- 1) Formation of windrows.
- 2) Inoculum application.
- 3) Aeration.
- 4) Spent wash spraying and Curing.
- 5) Sieving & bagging
- 6) Marketing

UNIQUE BENEFITS OF BIO COMPOST

- Improves the physical, chemical and biological properties of the soil.
- Improves the soil structure, air circulation and water retention capacity of the soil.
- Retains nutrients and prevents them from leaching away the plant roots.
- Contains both the micro-nutrients (calcium, sulphur, magnesium, iron, etc.) and macro-nutrients (nitrogen, phosphorus, and potash) essential for plant growth.
- Microbes accelerate the breakdown of crop residues in the soil. This improves the texture of the soil and also releases the locked-up elements.
- Increase the yield and quality of field, vegetable, tree and fruit crops.
- Can easily be applied as both base-dressing and top-dressing.
- Improves alkaline and saline/sodic soil.
- Helps the growth of the roots by improving the soil structure.
- Useful for all types of field crops, vegetable crops, orchards, kitchen gardens and flowers.

Employees



Human being is the essential capital of globalization world. It brings about challenges as well as opportunities for new collaboration and fresh insights.

As the Human Resources Department moves forward, it will do so with the focus on good business outcomes. Human Resources is excited about the opportunity to enhance employee services, utilize a team approach, build business partner relationships with departments, and to further utilization of available limited HR resources.

THE ACTIVITIES OF HR & ADMINISTRATION DEPARTMENT

The Human Resources Department of the Gal-Oya Plantations (Pvt) Ltd is its backbone and serves as the functional center of the organization. It operates in both the forefront and behind the scenes as it is intimately involved with every aspect of the organization.

Human Resources which consolidate performance measures and information related to workforce demographics and trends in a variety of key human resource areas, making comparisons wherever possible to relevant benchmark data.

As a Human Resources Department we provide our service to meet business needs through managing our company's most valuable resources through handling different activities as mentioned below,

- HR Planning
- Recruitment & Selection
- Employee Relations
- Remuneration Management
- Promotion & Rewards
- Training & Development
- Employee Welfare
- Health & Safety
- Compliance
- General Administration
- Legislation
- Procurement
- IT

OUR EMPLOYMENT

There were 1132 Employees in our company at the end of the financial year 2020/21 as below categories. In addition, 101 seasonal contract employees were worked during the crushing period

	Permanent	Contract
Executive Staff	58	19
Non-Executive Staff	373	682

There are General Manager to Junior Executive management grades are in Executive category and there are SP1 to S5 staff grades are in permanent and contract category. And also skilled, semi skilled & unskilled Labour category consists with SP1 to P5 grades and they are representing the permanent, contract & seasonal contract basis and the seasonal contract basis.

EMPLOYEE WELFARE

GOPL Welfare society is providing most valuable benefit to the employees that we have continued from the beginning with the collaboration of the company. Such as,

- Death Donations
- Loan facility
- Scholarship for children
- Marriage Allowance
- Retails goods Through the welfare shop
- Canteen facility
- Sports
 - Eg: Inter Department Cricket Tournament
- Entertaining events
 - Eg: Annual Get-together
 - Eg: New Year celebration ceremony
 - Eg: Annual trip

EMPLOYEE TRAINING & DEVELOPMENT

Employee training and development is a broad term covering multiple kinds of employee learning. Training is a program that helps employees learn specific knowledge or skills to improve performance in their current roles. Development is more expansive and focuses on employee growth and future performance, rather than an immediate job role.

As we are a people driven company, we also have conducted more training and development programs to keep up on utmost level our employees' performance within last year. Few of programs among those are as follows,

Training, Seminar & HR Activities

- 7 officers was participate for the training program on occupational safety and health at national institute of occupational safety and health on March 4, 5, & 6, 2021 which organized by NIOSH.

EMPLOYEE WELFARE

- Introduced a new group medical insurance package to provide indoor & out patient benefits to our employees & their families.
- To improve Employee's immunity specially due to Covid situation , distributed among each employee of a product of human immunity growing Ayurvedic product.

- The welfare shop is functioning very well. Employees can purchase the goods and home needs on a discounted prices under the salary deductions. 1kg of packeted sugar bags also can be purchased on a concession price.
- Provided essential personal protection equipment (PPE) to the employees such as overall, safety shoes, gloves and masks etc. Necessary recommendation and technical guidelines given to the employees by the company appointed safety committee.
- To improve Employee's immunity specially due to Covid situation , distributed among each employee of a product of human immunity growing Ayurvedic product.

PERFORMANCE APPRAISAL

The Performance Appraisal have been Completed for Entire Staff to evaluate each employee for the year 2019/2020 and finalized the annual Increment and promotions Base on the Appraisal.

EMPLOYEE RELATIONS

To make smooth floor of the business, it is essential to build good relationship between company management & the employees. Already company has formed an employee relationship committee including 23 members while employees to discuss and solve employees' related matters, problems. The committee meeting call once a month with the participation of CEO, COO, & Head of HR.

CSR ACTIVITIES

- Donated 25 nos Dry Ration Packs for Religious Places in the Ampara area due to Covid 19 situation.
- Donated Electrical Items to Police Station, Siyambalanduwa.
- Donated 10 bags of Cement to the Police Station Inginiyagala to be used for their “Budumedura Construction Work”.
- 100 nos Dry Ration packs provided to Eastern Province Governor on her request to distribute through the people who are affected by Covid 19 situation and also donated 10 nos Dry Ration packs to Ampara area journalist due to Covid 19 Situation.
- Provided manpower on their request and done the environment cleaning work of Hingurana Maha Vidyalaya before the school starting after the Covid vacation.
- Donated a PA Sound System to Daman MOH Office to assist their health program for the community.
- Donated 25 nos of Traffic Sign Boards and 02 nos Welcome Boards to Damana Police Station to be used for road traffic control and traffic awareness program for the community and school children.
- Contributed to construct the stainless steel decoration fence work around the “Stupa” of Sri Bodhimalu Wiharaya, Keenawaththa
- Donated 06 Nos Stage Speakers to 6 Temples to be used for daily activities.
- We provided masons and labour support for the construction of “Dana Shalawa” at Muwangala Rajamaha Viharaya.
- Provided our Crane vehicle facility to Damana Pradeshiya Sabawa on their request to remove hazardous trees due to Cyclone “Burevi”.
- Printing of School O/L Model question papers (4000) on the request of rural school Am/Thimbirigolla Vidyalaya.
- Conducted an “Art Competition” for the students in this region under CSR activity of GOPL. The competition conducted through facebook considering the Corona pandemic situation.
- Sanitized all Schools which are located in Ampara and Damana Educational zonal area.
- Organized a Blood Donation Campaign and donated 127 nos doner’s blood to the Ampara General hospital blood Bank.
- Donated Electrical and wiring items to constructing Monastery of Aranthalawa Temple.
- Donated 20 Nos Galoya Logo printed School Bags to Hingurana Maha Vidyalaya for newly admitted students for Grade 6.

Future Projects



Objective of Galoya Plantations is to utilize all resources available in to a valuable product. No any waste will be disposed to environment, and will be converted to value addition. Accordingly, we have already started projects planned initially as well as new projects such as Bio Compost. Several new projects are already in pipe line to complete in near future.

EXPANSION OF SUGARCANE CULTIVATION

Sugar cane cultivation is carried out in two systems of Plantation Lands (allocated for sugarcane only) and cultivation in Out Grower Lands. The allocated land area is limited to 4,855.40 ha and this was already reached. Therefore, cultivation in Out Grower Lands have commenced and the management planned to increase the total extent up to 10,000 ha considering the factory expansions planned.

SOLAR PHOTOVOLTAIC ROOF TOP SYSTEM

The Ministry of Power and Renewable Energy has launched a project titled 'Soorya Bala Sangramaya' (Battle for Solar Energy). It is expected to add 200 MW of solar electricity to the national grid initially and 1000 MW by 2025 through this intervention. The Government encourage 70% utilization of solar power. Galoya Plantations as a 51% owned to Government of Sri Lanka GOPL planned to contribute to government vision of "Soorya Bala Sangramaya" under "Saubhagya Vision" by installing 3,750 KW in DC side in the premises of GOPL.

CO₂ PROJECT

In distillery; there are two main operation is being carried out for the production of ENA such as Fermentation & Distillation. In alcoholic fermentation process yeast has consumed the molasses as a food and produces the ENA as main production and CO₂ evolved as by product, at present the CO₂ is unutilized. There is an opportunity for capturing of CO₂ gas which is being generated from Fermentation section as by product; by putting up the new plant. The gas can be used for the purpose of soft drinks, medical & other industrial purpose. The CO₂ gas capturing plant comprises of capturing of gas, purification, compressing, chilling & marketing.

The CO₂ Capturing plant will give the additional revenue to the distillery and around 9,000 Kg/day of CO₂ gas can be marketed, also this project will give the sustainable environmental value to the company.

Project ground work has started and expected investment is going to be spent by the CO₂ bottler and Galoya Plantations gets revenue.

LIQUOR BOTTLING PLANT

The Distillery Plant of Galoya Plantations having valid license for manufacturing of ENA (Extra Neutral Alcohol) at the rated production capacity of 21,500 liters per day and about 5 million liters per Annum. We designed the plant such way get superior quality ENA by using multicolumn distillation (7 Columns) to meet out the international standards. The latest analysis reports confirmed that the strength of final product of ENA is above 96.5 % and the quality is equal to ENA imports in all means. Our ENA product has the required standards for making the Local made foreign Liquor. In the Sensory point of view it has meet the international standards rating of around 8.0 points.

As we have superior quality ENA, we could produce premium alcohol product at a reasonable price within the Sri Lanka.

NEW DEVELOPMENT OF ORGANIC FARMING & ESTABLISHMENT OF BIO DIVISION

The current demand on Organic fertilizer, Bio pesticide and other organic products for all types crops including sugar cane plantations. There is huge potential to convert the waste to value added bio product which is generated from our sugar complex, also the current govt. policy on organic farming and utilization of organic manure will be supported by this project proposal.

The following are major operations coming under this Bio division:

- Bio compost manufacturing unit
- Bio compost pulverizing and auto bagging unit
- Bio fertilizer manufacturing unit
- Vermi compost unit
- Soil lab
- Aqua feed manufacturing unit

Among the entire unit the Bio compost manufacturing units are already under operations and the rest of the units to be establish for turn up the effective waste utilization, sustainable environment, support the govt. policy and additional revenue.

Director's Report (as at 31st March 2021)

The Directors of Gal Oya Plantations (Pvt) Ltd have pleasure in presenting to the members their Report and the Audited Financial Statements for the year ended 31st March 2021.

PRINCIPAL ACTIVITIES

Principal activities of Gal Oya Plantations (Pvt) Ltd are growing sugarcane and manufacturing cane sugar and Extra Neutral Alcohol (ENA) for the local market.

The principal activities of Gal Oya Plantations (Pvt) Ltd are described in the Executive Director's statement on pages 06 to 07 of this report.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company has planted 2,583 ha of sugarcane as at 31st March 2021 and is looking out to expand the cultivation of sugar in the areas of Ampara and Siyambalanduwa.

PROFIT & LOSS

Profit before tax for the year 2020/2021 was Rs. 749,367,009.

TAXATION

Not liable for income tax for the year of assessment 2020/21 as well as year 2019/20.

PROPERTY, PLANT & EQUIPMENT

Information relating to Property, Plant & Equipment is given in Note 12 of these Financial Statements.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2021 is Rs. 1,011,764,730/= which consist of 101,176,473 ordinary shares (2019/20 - 101,176,473 shares)

RESERVES

The total Reserves as at 31st March 2021 amounts to Rs. 7,829,419,498 (Negative) as compared with Rs. 8,533,308,141 (negative) in the previous year.

SHAREHOLDERS

It is a company policy to treat its shareholders equitably and maximize shareholder wealth.

EMPLOYMENT POLICIES

The Company employment policies respect the individuals and offer equal career opportunities, regardless of sex, race or religion and consider the relationship with the employees to be good.

STATUTORY PAYMENTS

Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to employees and the Government have been paid up to date.

ENVIRONMENTAL PROTECTION

It is the Company policy to keep the adverse effects on the environment to a minimum and to protect co-operation and compliance with the relevant authorities.

DIRECTORATE

The Directors of the Company as at 31st March 2021 are as follows:

- K.A.K.P. Gunawardena - Director
- W.K.D.T Abeyrathne - Director
- W.Batagoda - Director
- L.Bandaranayake - Director
- K.B.Kotagama - Director
- Gayan Dissanayake - Director
- Mrs.M.D.K.Rathnayake - Director
- Dr.Asiri Dissanayake - Director
- H.R.V.P. Wijewardhana - Director

APPOINTMENT AND RESIGNATION OF DIRECTORS

The following Director was appointed during the year under review:

- Mrs.M.D.Rathnayake - 04.03.2021
- Mr.H.R.V.P. Wijewardhana -04.03.2021

The following Directors resigned during the year under review:

- Mrs.S.Hettiarachchi – 04.03.2021
- Mr.Padmamal Perera – 04.03.2021
- Mr. R.M.Bandara – 22.12.2020
- Mr.J.M.U.P.Jayamaha – 08.06.2020

DIRECTORS' MEETINGS

The Directors conduct Board Meetings on a regular basis. The decisions of the Board are recorded at their meetings and by way of circular resolutions which are signed by all the directors as per the Articles of Association of the Company. Such circular resolutions are tabled at the following Board meeting for ratification. The Minutes of the Board Meetings, the Agenda for the next meeting and the monthly Management Reports are circulated to all the Directors in advance to the meetings.

BOARD COMMITTEE

The Board has established Committees for better monitoring and guidance of different aspects of operations and control.

AUDIT COMMITTEE

Members as at 31st March 2021 are as follows:

- Mrs.M.D.Rathnayake - Chairperson
- Mr.W.Batagoda - Member
- Mr.W.K.D.T.Abeyrathne - Member

The Audit Committee reviewed the type and quantum of non-audit services provided by the External Auditors to the Company to ensure that their independence as Auditors has not been impaired.

The report of the Audit Committee is given on page 46.

DIRECTORS' SHAREHOLDINGS

None of the Directors held Company shares as at 31st March 2021

REMUNERATION OF DIRECTORS

Refer Note 29 to the Financial Statements on page 95.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are given on pages 66 – 86.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at Marcopolo, Excel World, No.338, T.B. Jayah Mawatha, Colombo 10 on 26th May 2023 at 6.30 pm. The Notice of the Annual General Meeting is given on page No. 99.

AUDITORS

In accordance with Section 154 (1) of the Companies Act No. 7 of 2007 a resolution proposing the re-appointment of Auditor General's Department as the Auditors of the Company for the ensuing year will be proposed at the Annual General Meeting.

In terms of Section 155 (a) of the Companies Act No. 7 of 2007 a resolution authorizing the Directors to fix the remuneration of the Auditors for the ensuing year will be proposed at the Annual General Meeting.

The fees paid to the Auditors are disclosed in Note 09 to the financial statements. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

By order of the Board

DIRECTOR

L O L C CORPORATE SERVICES (PVT) LTD
SECRETARIES

Colombo 1st March 2023

Statement of Director's Responsibility

The responsibility of the Directors in relation to the Financial Statements for the year ended 31st March 2021 which have been prepared and presented in conformity with the requirements of the Sri Lanka Accounting Standards and the Companies Act No.7 of 2007 is set out in the following statement.

The responsibility of the Auditors in relation to the Financial Statements is set out in the Report of the Auditors on page 46 of the Report. As per the provisions of the Companies Act No. 7 of 2007, the Directors are required to prepare financial statements, for each financial year and place before a general meeting which comprise:

- 1 A Statement of Comprehensive Income, which presents a true and fair view of the profit and loss of the Company and its subsidiaries for the financial year;
- 2 A Statement of changes in Equity which presents a true and fair view of the changes in the Company's and its Subsidiaries retained earnings for the financial year;
- 3 A Statement of Cash Flow which presents a true and fair view of the flow of cash in and out of the business for the financial year; and
- 4 A Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year.

and which comply with the requirements of the Act.

The Directors are of the view that, in preparing these Financial Statements:

- 1 The appropriate accounting policies have been selected and applied in a consistent manner. Material deviations, if any have been disclosed and explained;
- 2 All applicable Accounting Standards, as relevant, have been followed.
- 3 Judgments and estimates have been made which are reasonable and prudent.

The Directors are also of the view that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company, and to ensure that the financial statements presented comply with the requirements of the Companies Act.

The Directors are also responsible for taking reasonable steps to safeguard the Assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the Financial Statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their Audit Opinion.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the Balance Sheet date have been paid or, where relevant provided for.

By order of the Board

Chairman

Date: 01.03.2023

Audit Committee Report

ROLE OF THE COMMITTEE

The role of the Audit committee which reports its findings to the Board, is to review the integrity of the financial reporting of the Company, internal and external audit processes of the Company and the maintenance of sound internal control and risk management of the Company and its compliance with legal and regulatory requirements.

COMPOSITION

The Audit Committee, appointed by and responsible to the Board of Directors, comprises of following members as at 31st March 2021;

Mrs.R.D.Rathnayake - Committee Chairperson
Mr. W.Batagoda - Member
Mr. W.D.K.T.Abeyrathne - Member

FINANCIAL REPORTING

The Committee is established to oversee the Company's financial reporting on behalf of the Board of Directors as part of its responsibility and review the Financial Statements and recommend same to the Board for its deliberations prior to its issuance.

The Committee is also engaged in reviewing the Financial Statements to ensure consistency of the accounting policies and their compliance with the Sri Lanka Accounting Standards.

The Committee regularly discusses the operations of the Company and its future prospects with the management and ensures that all relevant matters are taken into account in the preparation of the Financial Statements.

CONTROLS & RISKS

The Committee reviews the effectiveness of the Company's system of Internal Control. The Committee also assesses the major business and control risks and the control environment prevalent in the Company and advises the Board on actions to be taken where weaknesses are observed.

EXTERNAL AUDITORS

The Audit Committee evaluates the independence of the External Auditors and the effectiveness of the audit process.

The Committee meets with the External Auditors in relation to the scope of the audit and also to discuss the Management Letter at the conclusion of the audit.

The Committee reviews the audited financial statements with the External Auditors who are responsible for expressing an opinion on its conformity with the Sri Lanka Accounting Standards.

The Audit Committee evaluates the independence of the External Auditors for the year under review and informed the Board of Directors that in accordance with the 19th amendment to the Constitution of the Democratic Socialist Republic of Sri Lanka, audit of all the companies registered or deemed to be registered under the Companies Act No. 7 of 2007 in which the Government or Public Corporate or Local Authority holds 50 percent or more of the shares of the company is audited by the Auditor General's Department and recommended the re-appointment of the Auditors for the financial year 2021/22, subject to the approval of the shareholders at the Annual General Meeting.

CONCLUSION

The reports submitted by the External Auditors of the Company and the assurance provided by the Senior Management is considered by the Committee in identifying that the financial position of the Company has been adequately monitored.

Committee Chairman

Date: 01.03.2023



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No. }

පිළිවෙල්/ පිටපිටල්/01/2020-2021
ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

2022 නොවැම්බර් 30 දින

සභාපති

සීමාසහිත ගල්මය වැව්ලි (පුද්ගලික) සමාගම

සීමාසහිත ගල්මය වැව්ලි (පුද්ගලික) සමාගමේ 2021 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් නෛතික හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

1. මූල්‍ය ප්‍රකාශන

1.1 තත්ත්වගණනය කළ මතය

සීමාසහිත ගල්මය වැව්ලි (පුද්ගලික) සමාගමේ (“සමාගම”) 2021 මාර්තු 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ ලාභ හා අලාභ සහ වෙනත් විස්තීර්ණ ආදායම් ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා මුදල් ප්‍රවාහ ප්‍රකාශනය සහ මූල්‍ය ප්‍රකාශනවලට අදාළ සටහන්, සාරාංශගත වැදගත් ගිණුම්කරණ ප්‍රතිපත්තිවලින් සමන්විත 2021 මාර්තු 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 ප්‍රකාරව මාගේ විධානය යටතේ විගණනය කරන ලදී. ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (6) ව්‍යවස්ථාව ප්‍රකාරව මාගේ වාර්තාව යථාකාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලැබේ.

මාගේ වාර්තාවේ තත්ත්වගණනය කළ මතය සඳහා පදනම කොටසේ විස්තර කර ඇති කරුණුවලින් වන බලපෑම හැර, සමාගමේ 2021 මාර්තු 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 තත්වගණනය කළ මතය සඳහා පදනම

- (අ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 01 හි 32 ඡේදය අනුව වත්කම් හා වගකීම් එකිනෙකට හිලවී නොකළ යුතු වුවද, වැටුප් පාලන ගිණුමේ රු.1,189,058 ක හර ශේෂයක් හා ඉන්වෙන්ට්‍රි වියදම් ගිණුමේ රු.6,595,311 ක හර ශේෂයක් වශයෙන් එකතුව රු.7,784,369 ක් උපවිත වියදම්වලට හිලවී කර මූල්‍ය ප්‍රකාශනවලට ඇතුළත් කර තිබුණි.
- (ආ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 7 හි 7 ඡේදය අනුව ආයෝජනයක් අත්පත් කරගත් දිනයේ සිට මාස තුනක් හෝ ඊට අඩු කාලයක් වැනි කෙටි කල් පිරිමක් ඇති දෑ මුදල් ප්‍රවාහ ප්‍රකාශනයේ මුදල් හා මුදල් සමාන දෑ ලෙස දැක්විය යුතු වුවද, සමාගමේ රු.150,000,000 ක එක් දින තැන්පතුවක් ආයෝජන ක්‍රියාකාරකම් යටතේ දක්වා තිබුණි. තවද, එම ප්‍රමිතියේ 45 ඡේදය අනුව රු.10,346,200 ක මුදල් හා මුදල් සමාන දෑවල සංරචකයන් මූල්‍ය ප්‍රකාශනවලින් හෙළිදරව් කර නොතිබුණි.
- (ඇ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 16 හි 19 (ඇ) ඡේදය ප්‍රකාරව පරිපාලන හා වෙනත් පොදුකාර්ය පිරිවැය, දේපළ පිරියත හා උපකරණ පිරිවැයට ඇතුළත් කළ නොහැකි වුවද, රු.748,373 ක ආහාර හා නවාතැන් වියදම් දේපළ පිරියත හා උපකරණ යටතේ ප්‍රාග්ධනිත කර තිබුණි.
- (ඈ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 16 හි 36 ඡේදය ප්‍රකාරව දේපළ පිරියත සහ උපකරණ ප්‍රත්‍යාගණනය කිරීමේදී එකම වත්කම් පන්තියට ඇතුළත් සියලු වත්කම් ප්‍රත්‍යාගණනය කළ යුතු වුවද, 2019 /2020 ගිණුම් වර්ෂය තුළදී සමාගම විසින් සිදු කළ වත්කම් ප්‍රත්‍යාගණනයේදී වත්කම් පන්ති 11 ක පිරිවැය රු.650,555,041 ක් වූ මුළු වත්කම්වලින් පිරිවැය රු.256,913,445 ක් වූ වත්කම් රු.144,094,500 කට ප්‍රත්‍යාගණනය කර තිබුණු අතර පිරිවැය රු. 393,641,596 ක් වූ වත්කම් ජරත්‍යාගණනය කර නොතිබුණි. තවද, එම ප්‍රමිතියේ 32 ඡේදය ප්‍රකාරව වෘත්තීය සුදුසුකම්ලත් තක්සේරුකරුවෙකු විසින් කළ යුතු එම තක්සේරුව, සමාගමේ සේවයේ නියුතු ජ්‍යෙෂ්ඨ වැඩපල කළමනාකරු, ජ්‍යෙෂ්ඨ තොරතුරු තාක්ෂණ විධායක, සහකාර සාමාන්‍යාධිකාරී කර්මාණන්ශාලා සහ ජ්‍යෙෂ්ඨ විධායක පරිපාලන යන නිලධාරීන් විසින් සිදු කර තිබුණි.
- (ඉ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 16 හි 51 ඡේදය ප්‍රකාරව ජංගම නොවන වත්කම්වල අවශේෂ වටිනාකම හා එලදායි ජීවිත කාලය සෑම මුදල් වර්ෂයකම සමාලෝචනය කර පවතින ඇස්තමේන්තුවලින් වෙනස් වන්නේ නම් ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 08 අනුව ඇස්තමේන්තු වෙනසක් ලෙස ගිණුම්ගත කළ යුතු වුවත් සම්පූර්ණයෙන්ම ක්ෂය කර අවසන් කර ඇති දෑට භාවිතා කරනු ලබන පිරිවැය රු.170,269,436 ක් වූ වත්කම්වල නිවැරදි ධාරණ අගය මූල්‍ය ප්‍රකාශනවල දැක්වීමට කටයුතු කර නොතිබුණි.

- (ඊ) ගල්බය වැවිලි පුද්ගලික සමාගමේ කළමනාකරණය සඳහා පිහිටුවා ඇති ගල්බය හෝල්ඩින්ස් පුද්ගලික සමාගමට රු.6,100,000 ක වාහනයක් මිලදී ගැනීම ඇතුළුව 2011 වර්ෂයේ සිට 2020 වර්ෂය දක්වා කාලයට අදාළ වියදම් දැරීම පිණිස රු.16,222,055 ක මුදලක් ගල්බය වැවිලි පුද්ගලික සමාගමෙන් ලබාදී ඒ සඳහා සියයට 76 ක් වූ රු.12,392,179 ක් අවමාන ණය වශයෙන් වෙන් කර තිබුණි. ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 01 හි 117 ඡේදය ප්‍රකාරව එම වෙන් කිරීමට හේතුව හා අදාළ ගිණුම්කරණ ප්‍රතිපත්තිය ද මූල්‍ය ප්‍රකාශනවලින් හෙළිදරව් කර නොතිබුණි.
- (උ) අන්තර්ජාලයෙන් ලබා ගත් කොටස් වෙළඳපොළ තොරතුරු අනුව සමාගම විසින් ණය ලබාගෙන තිබූ සාක්‍ෂා කැපිටල් පුද්ගලික සමාගම හා සත්‍යා කැපිටල් පුද්ගලික සමාගම LOLC සමූහයට අයත් සමාගම් 2 ක් බවට නිරීක්ෂණය වුවද, ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිති අංක 24 හි 18 ඡේදයට අනුකූල නොවන ලෙස එම සමාගම් සම්බන්ධිත නොවන පාර්ශ්ව වශයෙන් මූල්‍ය ප්‍රකාශනවල දක්වා තිබුණි. එම සමාගම්වලට අදාළව සමාලෝචිත වර්ෂය ආරම්භයේදී ගෙවිය යුතු ණය රු.1,500,000,000 ක් ද, වර්ෂය තුළ ලබාගත් හා ආපසු ගෙවූ ණය පිළිවෙලින් රු.2,000,000,000 ක් හා රු. 755,920,483 ක් ද, වර්ෂය අවසානයට ගෙවිය යුතු ණය රු.2,744,079,517 ක් හා වර්ෂයේ ණය පොලිය රු. 390,910,949 ක් ද වශයෙන් විය.
- (ඌ) සමාගමේ කොටස් ප්‍රාග්ධනය රු.1,011,764,730 ක්ව තිබිය දී සමාගමේ ණය නව දුරටත් ඉහළ යාමෙන් 2019/2020 වර්ෂයේ සියයට 818 ක් වී තිබූ ප්‍රාග්ධන ණය තෝලන අනුපාතය 2020/2021 වර්ෂයේදී සියයට 955 ක් දක්වා ඉහළ ගොස් තිබුණි, වර්ෂය තුළ රු.749,367,009 ක ලාභයක් උපයාගෙන තිබුණ ද, ලබාගෙන ඇති ණයවලින් සියයට 63 ක් කාරක ප්‍රාග්ධන අවශ්‍යතා සඳහා වීමත්, වර්ෂය අවසානයේදී සමාගමේ මුළු වත්කම් ඉක්මවූ වගකීම් ප්‍රමාණය රු.6,817,654,769 ක් හා සමුච්චිත අලාභය රු.7,935,198,192 ක් වී තිබීමත් හේතුවෙන් සමාගමේ අඛණ්ඩ පැවැත්ම අහෝසි වීමේ අවධානමින් බැහැර වී නොමැති බවටත්, මහා භාණ්ඩාගාරය මෙම තත්ත්වය කෙරෙහි අවධානය යොමු කර නොතිබීමෙන් සියයට 51 ක රජයේ කොටස් හිමිකාරීත්වය අවධානමට ලක් වී ඇති බවටත් නිරීක්ෂණය කෙරේ.
- (එ) සමාගම විසින් වාර්ෂිකව ප්‍රසාද දීමනා ගෙවා තිබුණ ද, ඒ සම්බන්ධයෙන් වෙනම ලෙජර් ගිණුමක් නඩත්තු කර නොතිබීමත්, ඊට අදාළ අනුමැතිය, ගණනය කළ ආකාරය හා සමාලෝචිත වර්ෂයේ ගෙවන ලද ප්‍රසාද දීමනාව සම්බන්ධයෙන් විගණනය විසින් ඉල්ලා සිටින ලද තොරතුරු ඉදිරිපත් කර නොතිබීමත් හේතුවෙන් ගෙවන ලද ප්‍රසාද දීමනා හා එහි නිවැරදිතාවය පිළිබඳව විගණනයේදී සැඟිමකට පත් විය නොහැකි විය.
- (ඒ) ගොවි ණය සම්බන්ධ ගිණුම්කරණ පද්ධතිය අනුව සමාලෝචිත වර්ෂය අවසානයට අයවිය යුතු ණය ශේෂය රු.684,482,270 ක් වුවද, මූල්‍ය ප්‍රකාශන අනුව එම ණය ශේෂය

රු.660,257,030 ක් වශයෙන් රු.24,225,240 ක වෙනසක් නිරීක්ෂණය විය. ණය ලේඛනවලට ඇතුළත් වූ නමුත් ලෙජර් ගිණුම්වලට නොගැලපූ එකතු කිරීම් රු.30,582,282 ක් හා අඩු කිරීම් රු.6,357,043 ක් ලෙජර් ගිණුම්වලට ඇතුළත් නොකිරීම මෙම වෙනසට හේතුව බවට ඊට අදාළව ඉදිරිපත් කරන ලද සැසඳුම් ප්‍රකාශය අනුව නිරීක්ෂණය විය.

- (ඔ) 2017 අංක 7 දරන ආර්ථික සේවා ගාස්තු (සංශෝධන) පනතේ 3(1) වගන්තිය අනුව සමාගමේ ආර්ථික සේවා ගාස්තුව ව්‍යාපාර ආදායම් බදු ගණනය කිරීමේදී හිලව් කර ගැනීම සඳහා එම වර්ෂය හා තවත් වසර 2 කින් පසුව ඉදිරියට ගෙනයා නොහැකි වුවද, 2019/2020 වර්ෂයේ වියදම් වශයෙන් ලියාහැරිය යුතුව තිබූ 2017/2018 වර්ෂයේ ආර්ථික සේවා ගාස්තුව රු.2,721,546 ක් 2020/2021 වර්ෂයේ ආදායම් බදු ගණනයේදී හිලව් කර වියදම් ලෙස කපා හැර තිබුණි. තවද, සමාලෝචිත වර්ෂයේ වියදම් ලෙස කපා හැරිය යුතු වූ 2018/2019 වර්ෂයේ රු.10,409,652 ක ආර්ථික සේවා ගාස්තුව 2021 මාර්තු 31 දිනට ඉදිරියට ගෙන ගොස් තිබුණි. මේ නිසා මූල්‍ය ප්‍රකාශනවල සමාලෝචිත වර්ෂයේ ලාභය මෙම ශේෂ දෙක අතර වෙනස වන රු.7,688,106 කින් හා ජංගම වත්කම් රු.10,409,652 කින් වැඩියෙන් දක්වා තිබුණි.
- (ඕ) 2017 අංක 24 දරන දේශීය ආදායම් බදු පනතේ 18(2) වගන්තිය අනුව 2018/2019 හා 2019/2020 තක්සේරු වර්ෂ සඳහා මූල්‍ය වියදම් රු.1,121,999,585 ක් අඩුවෙන් ගණනය කිරීම නිසා බදු අලාභය අවතක්සේරු වී තිබුණු අතර 2020/2021 වර්ෂයේ සමුච්චිත අලාභය ඇතුළත්ව සමාගමේ සංචිත සෘණ ශේෂයක් වීමෙන් රු.2,093,638,147 ක් විය යුතු ඉඩ නොදෙන මූල්‍ය වියදම රු.1,275,790,794 ක් ලෙස රු.817,847,353 ක් අඩුවෙන් දක්වා තිබුණි. තවද, පනතේ 19 (1) (අ) අනුව සමාලෝචිත වර්ෂයේ ලාභයෙන් හිලව් කළ හැකි පෙර වර්ෂ 06 ක අලාභය රු.3,868,578,286 ක් වුවද, වර්ෂ 06 කට වැඩි කාලයක් තුළ උපයන ලද අලාභයන් ද ඇතුළත්ව රු.7,119,205,979 ක අලාභයක් බදු වාර්තාවට ඇතුළත් කර තිබුණි. මේ හේතුවෙන් 2020/2021 තක්සේරු වර්ෂය සඳහා සමාගමේ ආදායම් බදු ගණනය කිරීම නිවැරදි නොවන බවට නිරීක්ෂණය විය.
- (ක) 2021 මාර්තු 31 දිනට සමාගමේ සීනි තොගය, කාබනික පොහොර තොගය, මොලෑෂස් තොගය හා පර්නස් ඔයිල් තොගය භෞතික සත්‍යාපනයට ලක් කර නොතිබුණු අතර භෞතිකව සත්‍යාපනය කළ අමුද්‍රව්‍ය තොග සහ අමතර කොටස් හා පාරිභෝගික ද්‍රව්‍ය තොග වෙනුවට පොත් අගයන් මූල්‍ය ප්‍රකාශනවලට ඇතුළත් කර තිබුණි. මේ හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇතුළත් රු.657,824,862 ක තොගයෙහි නිවැරදිතාවය පිළිබඳව විගණනයේදී සනාථ කළ නොහැකි විය.
- (ඟ) 2021 මාර්තු 31 දිනට මූල්‍ය ප්‍රකාශනවල ඇතුළත් වසර 02 කට අධික කාලයක සිට නිකුත් නොවී පවතින රු.1,235,670 ක් වටිනා “Flocculant” නැමති රසායනික ද්‍රව්‍ය කිලෝ ග්‍රෑම්

800 ක තොගයෙන් කල් ඉකුත් වී තිබුණු රු.772,294 ක් වටිනා කිලෝ ග්‍රෑම් 500 ක් සඳහා ගිණුම්වලින් වෙන් කිරීම් කර නොතිබුණි.

- (ව) සමාගම මහා භාණ්ඩාගාරයත් සමඟ 2009 වර්ෂයේදී අත්සන් තබන ලද කොටස්කරුවන්ගේ ගිවිසුමේ 18.2.1(10) වගන්තිය සහ ගල්ඔය හෝල්ඩින්ස් පුද්ගලික සමාගම සමඟ 2010 වර්ෂයේදී අත්සන් තබා ඇති කළමනාකරණ ගිවිසුමෙහි 19.1.1(a) වගන්තිය ප්‍රකාරව සමාගම සෑම වර්ෂයකදීම එම වර්ෂය ආරම්භයේදී පවතින අවම භාණ්ඩාගාර බිල්පත් පොලී අනුපාතයට සමාන ලාභාංශයක් මහා භාණ්ඩාගාරයට ගෙවිය හැකි වන සේ වාර්ෂික බදු පසු ලාභයක් නොලබන්නේ නම් රජයට කොටස්කාර ගිවිසුම අවසන් කිරීමේ හැකියාව පවතින බව දක්වා ඇත. මෙම සමාගම සංස්ථාපනය කළ 2010 වර්ෂයේ සිට 2020 වර්ෂය දක්වා අඛණ්ඩව අලාභ ලබමින් පවත්වාගෙන ගොස් තිබීමෙන් සමාලෝචිත වර්ෂය අවසානයට සමුච්චිත අලාභය රු.7,935,198,192 ක් වී තිබුණු අතර භාණ්ඩාගාරයට කිසිදු ලාභාංශයක් ගෙවා නොතිබුණි. මේ අනුව කොටස්කාර ගිවිසුම සහ කළමනාකරණ ගිවිසුම උල්ලංඝනය වී තිබුණු අතර භාණ්ඩාගාරයට ගෙවිය යුතු ලාභාංශ පිළිබඳ වාර්තාගත නොවුණු බැරකමක් පවතින බවට නිරීක්ෂණය විය.
- (ජ) ගොවීන්ගෙන් අයවිය යුතු රු.23,303,310 ක් වසර 3ත් 5ත් අතර කාලයක සිට ද, රු.5,383,797 ක් වසර 5 කට වැඩි කාලයක සිට ද අයකර ගැනීමට කටයුතු කර නොතිබුණි. මෙම ශේෂ අයකර ගැනීම අවිනිශ්චිත බවට නිරීක්ෂණය වුවද, ඒ සඳහා අවශ්‍ය වෙන්කිරීම් කර නොතිබුණි.
- (ඊ) මූල්‍ය ප්‍රකාශනවල ඇතුළත් තොග අයිතම 07 ක් යටතේ රු.565,860 ක් වටිනා ඒකක 25 ක් වසර 10 කට අධික කාලයක සිට නිකුත් නොවී පවතින බවටත්, තොග අයිතම 43 කට අයත් වටිනාකම රු.3,679,494 ක් වූ “Steel Bars and Pipes” තොගයක් ප්‍රයෝජනයට නොගෙන ගබඩාවෙන් පිටත අනාරක්ෂිතව දමා ඇති බවටත් කරුණු නිරීක්ෂණය වුවද ඒ සඳහා අවශ්‍ය වෙන්කිරීම් ගිණුම්වල සලසා නොතිබුණි.

ශ්‍රී ලංකා විගණන ප්‍රමිතීන්ට (ශ්‍රී.ලං.වි.ප්‍ර.) අනුකූලව මා විගණනය සිදු කරන ලදී. මෙම විගණන ප්‍රමිතියට අනුව මාගේ වගකීම, මෙම වාර්තාවේ මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම යන කොටසේ තව දුරටත් විස්තර කර ඇත. මාගේ තත්ත්වගණනය කළ මතය සඳහා පදනමක් සැපයීම උදෙසා මා විසින් ලබාගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් සහ උචිත බව මාගේ විශ්වාසයයි.

1.3 සීමාසහිත ගල්ඔය වැව්ලි (පුද්ගලික) සමාගමේ 2020 /2021 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු

මෙම විගණන වාර්තාවේ දිනට පසුව මට ලබා දීමට බලාපොරොත්තු වන සීමාසහිත ගල්ඔය වැව්ලි (පුද්ගලික) සමාගමේ 2021 වාර්ෂික වාර්තාවේ ඇතුළත් කර ඇති නමුත් මූල්‍ය ප්‍රකාශන සහ ඒ පිළිබඳව වූ මාගේ 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 ආචරණය 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.

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

1.3 මූල්‍ය ප්‍රකාශන පිළිබඳ කළමනාකරණයේ සහ පාලනය කරන පාර්ශවයන්ගේ වගකීම

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

මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේදී, සමාගම අඛණ්ඩ 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 කිරීම ද 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 සෑමවිටම ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් අනාවරණය කර ගන්නා 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 කර ගනිමින් 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 ක්‍රියාකරන 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 සිදුවන්නාවූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, වේතනාන්විත මහඟුරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මහඟුරීමෙන් 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 සහ ගිණුම්කරණ ඇස්තමේන්තුවල සාධාරණත්වය සහ කළමනාකරණය විසින් කරන ලද සම්බන්ධිත හෙළිදරව් කිරීම් අගයන ලදී.
- සිද්ධීන් හෝ තත්ත්වයන් හේතුවෙන් සමාගමේ අබණ්ඩ පැවැත්ම පිළිබඳ ප්‍රමාණාත්මක අවිනිශ්චිතතාවයක් තිබේද යන්න සම්බන්ධයෙන් ලබාගත් විගණන සාක්ෂි මත පදනම්ව ගිණුම්කරණය සඳහා ආයතනයේ අබණ්ඩ පැවැත්ම පිළිබඳ පදනම යොදා ගැනීමේ අදාළත්වය

කිරණය කරන ලදී. ප්‍රමාණවත් අවිනිශ්චිතතාවයක් ඇති බවට මා නිගමනය කරන්නේ නම් මූල්‍ය ප්‍රකාශනවල ඒ සම්බන්ධයෙන් වූ හෙළිදරව් කිරීම්වලට මාගේ විගණන වාර්තාවේ අවධානය යොමු කළ යුතු අතර, එම හෙළිදරව් කිරීම් ප්‍රමාණවත් නොවන්නේ නම් මාගේ මතය විකරණය කළ යුතුය. කෙසේ වුවද, අනාගත සිද්ධීන් හෝ තත්ත්වයන් මත අඛණ්ඩ පැවැත්ම අවසන් වීමට හැකිය.

- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත්වී 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 පහත සඳහන් අවශ්‍යතාවයන් සම්බන්ධයෙන් විශේෂ ප්‍රතිපාදන ඇතුළත් වේ.

2.1.1 2007 අංක 07 දරන සමාගම් පනතේ 163(2)(ඇ) වගන්තියේ සහ 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 (අ) වගන්තියේ සඳහන් අවශ්‍යතාවන් අනුව, මාගේ වාර්තාවේ තත්ත්වවිගණනය කළ මතය සඳහා පදනම කොටසේ විස්තර කර ඇති කරුණු වලින් වන බලපෑම හැර, විගණනය සඳහා අවශ්‍ය සියලු තොරතුරු සහ පැහැදිලි කිරීම් මා විසින් ලබාගන්නා ලද අතර, මාගේ පරීක්ෂණයෙන් පෙනී යන ආකාරයට නිසි මූල්‍ය වාර්තා ආයතනය පවත්වාගෙන ගොස් තිබුණි.

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

2.1.3 2018 අංක 19 දරන ජාතික විගණන පනතේ 6 (1) (ඇ) (iii) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වේ.

2.1.4 2018 අංක 19 දරන ජාතික විගණන පනතේ 6 (1) (ඇ) (iv) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව මෙම වාර්තාවේ 1.2 (ඊ), (ඌ) හා (ඟ) යන ඡේදවල දක්වා ඇති නිරීක්ෂණ හැර 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 සම්බන්ධ වී 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 අදාළ 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	විස්තරය
(අ) 2018 අංක 19 දරන ජාතික විගණන පනතේ 40 වන වගන්තිය	සමාගමේ පාලක මණ්ඩලයට වගකිව යුතු අභ්‍යන්තර විගණන තනතුරක් ඇති කර නොගෙන සමාගමේ කොටස්කාර සමාගමක් වන ලංකා ඔරික්ස් ලිසිට් සමාගමේ අභ්‍යන්තර විගණන කාර්ය මණ්ඩලය විසින් අභ්‍යන්තර විගණන කටයුතු සිදු කර තිබුණි.
(ආ) 2006 අංක 12 දරන මුද්දර බදු පනතේ 07 වගන්තිය	ඒ ඒ කාර්තුව අවසාන වී දින 15 ක් ඇතුළත දේශීය ආදායම් කොමසාරිස් වෙත යැවිය යුතු වුවද, 2020 මාර්තු 31 න් අවසන් කාර්තුවට අයත් මුද්දර බදු රු.53,400 ක් දින 44 ක ප්‍රමාද කර 2020 මැයි 24 දින යවා තිබුණි.
(ඇ) 2003 ජුනි 02 දිනැති අංක පීඊඩී/12 දරන රාජ්‍ය ව්‍යාපාර වක්‍රලේඛය	
(i) 6.5.1 ඡේදය	මුදල් වර්ෂය අවසන් වී දින 60 ක් ඇතුළත කෙටුම්පත් වාර්ෂික වාර්තාව සමඟ මූල්‍ය ප්‍රකාශන විගණකාධිපතිවරයා වෙත ඉදිරිපත් කළ යුතු වුවත් සමාගම විසින් මාස 05 ක් ප්‍රමාද කර

2021 නොවැම්බර් 04 දින මූල්‍ය ප්‍රකාශන ඉදිරිපත් කර තිබුණු අතර ඒ සමඟ කෙටුම්පත් වාර්ෂික වාර්තාව ඉදිරිපත් කර නොතිබුණි.

(ii) 9.3.1 ඡේදය

සෑම ආයතනයකටම අදාළව කාර්ය මණ්ඩලය බඳවා ගැනීමේ පටිපාටියක් සකස් කර ගතයුතු වුවත් සමාගම සඳහා අනුමත බඳවා ගැනීමේ පටිපාටියක් සකස් කර 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 පහත සඳහන් නිරීක්ෂණ හැර සමාගමේ සම්පත් සකසුරුවීම් ලෙස, කාර්යක්ෂම ලෙස සහ ඵලදායී ලෙස කාලසීමාවන් තුළ අදාළ නීතිරීතිවලට අනුකූලව ප්‍රසම්පාදනය කර භාවිතා කර නොමැති බව.

(අ) සමාගම විසින් කොටස්කරුවන් හා සම්බන්ධිත මූල්‍ය ආයතනවලින් ලබාගත් කල්බදු පහසුකම් සඳහා සමාලෝචිත වර්ෂයේදී ගෙවිය යුතු වූ කල්බදු වාරික, නියමිත දිනයන්හිදී නොගෙවා ඒ සඳහා රු. 13,875,476 ක අමතර පොලියක් ගෙවා තිබුණු අතර ඒ ආකාරයට පෙර වර්ෂයේදී ගෙවා තිබුණු අමතර පොලිය රු. 5,812,203 ක් විය. මෙය කළමනාකරණයේ අකාර්යක්ෂමතාවය මත සමාගමට සිදුවී ඇති පාඩුවක් මෙන්ම මතභේදකාරී ගනුදෙනුවක් බවට විගණනයේදී නිරීක්ෂණය කෙරේ.

(ආ) සමාගමේ කළමනාකරණය විසින් වගා භූමි ආරක්ෂා කර ගැනීම සඳහා නිසි අවධානයක් යොමු නොකිරීම හේතුවෙන් 2018/2019 වර්ෂයේ හෙක්ටයාර් 5202 ක් වූ උක් වගා කළ හැකි භූමි ප්‍රමාණය 2020/2021 වර්ෂය වන විට පතල් කැනීම්, අනවසර ඉදි කිරීම් වැනි කරුණු මත හෙක්ටයාර් 4855 ක් දක්වා හෙක්ටයාර් 347 කින් අඩු වී තිබුණු අතර එයින් උක් වගා කර ඇති බිම් ප්‍රමාණය හෙක්ටයාර් 4765 ක් පමණක් බව සමාගමේ 2018/2019 වාර්ෂික වාර්තාව හා සමාලෝචිත වර්ෂයේ කාර්යාධනය සම්බන්ධයෙන් 2022 ජනවාරි 20 දිනැතිව විගණනය වෙත ඉදිරිපත් කර ඇති තොරතුරු අනුව නිරීක්ෂණය විය.

(ඇ) 2014/2015 වර්ෂයේදී සියයට 8.1 ක් වූ උක් ගසෙහි සිනි උකහා ගැනීමේ ප්‍රතිශතය පසුගිය වසර 07 තුළ ක්‍රමයෙන් අඩු වී ගොස් සමාලෝචිත වර්ෂය වන විට සියයට 6.2

ක් වී තිබුණු අතර 2012/2013 වර්ෂයේදී සියයට 10.9 ක් වූ යන්ත්‍ර තුළට ඇතුළත් කරන උක් දඬුවල පවතින සීනි ප්‍රමාණය ද පසුගිය වසර 09 ක දත්ත හා සැසඳීමේදී ක්‍රමයෙන් අඩු වී සමාලෝචිත වර්ෂය වන විට සියයට 8.5 ක් වී තිබුණි. මීට හේතු වූ කරුණු පිළිබඳව සොයා බලා අවශ්‍ය පිළියම් යෙදීමට සමාගම අපොහොසත් වී තිබුණි.

- (ඇ) 2020/2021 වර්ෂයේදී කර්මාන්තශාලාව අඹරා තිබූ උක් ප්‍රමාණය මෙට්‍රික් ටොන් 306,722 ක් වූ අතර එය පෙර වර්ෂය හා සැසඳීමේදී වර්ධනයක් වූ නමුත් මෙට්‍රික් ටොන් 400,000 ක් වූ උපරිම ධාරිතාවය ලඟා කර ගැනීමට ප්‍රමාණවත් උක් සැපයුමක් ලබා ගැනීමට සමාගම අපොහොසත් වී තිබුණි. ඒ අනුව භාවිතයට නොගත් ධාරිතාවය උක් මෙට්‍රික් ටොන් 93,278 ක් හෙවත් සියයට 23 ක් විය.
- (ඉ) කර්මාන්තශාලාවට අවශ්‍ය බලශක්තිය, සීනි නිෂ්පාදන ක්‍රියාවලියෙන් ඉවතලන බැගෑස් ආධාරයෙන් නිපදවන අතර එය ප්‍රමාණවත් නොවූ පසු ජාතික විදුලි බල පද්ධතියෙන් ලබාගත් විදුලිය යොදා ගනිමින් යන්ත්‍ර ක්‍රියාත්මක කරනු ලබයි. 2014/2015 වර්ෂයේදී මෙඟා වොට් පැය 3,020 ක් වූ කර්මාන්තශාලාවේ බලශක්ති උත්පාදනය 2020/2021 වර්ෂය වන විට මෙඟා වොට් පැය 105 ක් දක්වා සියයට 96 කින් අඩු වී තිබුණි.
- (ඊ) රසායනික පොහොර අවම කිරීමේ රාජ්‍ය ප්‍රතිපත්තිය අනුව වාර්ෂිකව කොම්පෝස්ට් පොහොර මෙට්‍රික් ටොන් 7000 ක් නිෂ්පාදනය කර රාජ්‍ය හා පෞද්ගලික යන දෙඅංශයේම ගැණුම්කරුවන්ට අලෙවි කිරීමේ අපේක්ෂාවෙන් සමාගම විසින් 2017/2018 වර්ෂයේදී රු.2,625,200 ක පිරිවැයක් දරා ඉදි කළ කොම්පෝස්ට් අංගනයෙන් 2020/2021 වර්ෂයේදී මෙට්‍රික් ටොන් 6000 ක් නිෂ්පාදනය කිරීමට අපේක්ෂා කර තිබුණ ද, වර්ෂය තුළ නිෂ්පාදිත කොම්පෝස්ට් පොහොර ප්‍රමාණය මෙට්‍රික් ටොන් 1250 ක් හෙවත් ඇස්තමේන්තු ගත ප්‍රමාණයෙන් සියයට 21 ක් පමණක් වීමෙන් කොම්පෝස්ට් අංගනය පූර්ණ ලෙස උපයෝජනය කිරීමට සමාගම අපොහොසත් වී තිබුණි.
- (උ) සමාගම විසින් දිනකට කාබන්ඩයොක්සයිඩ් වායුව (CO₂) කිලෝ ග්‍රෑම් 10,000 ක් නිපදවා වෙළඳපොලට නිකුත් කර අතිරේක ආදායමක් ලබා ගැනීමේ අරමුණ ඇතිව රු.මිලියන 250 ක වියදමකින් CO₂ වායුව නිපදවීමේ ව්‍යාපෘතියක් 2018 වර්ෂයේදී ආරම්භ කර මාස 6 – 9 දක්වා කාලය තුළ අවසන් කිරීමට අපේක්ෂා කර තිබුණ ද, එම ව්‍යාපෘතිය ආරම්භ කර නොතිබුණි.

- (ඌ) සමාගමේ කොටස්කරුවන් හා සම්බන්ධිත පාර්ශවයන්ගෙන් ලබාගත් ණය සඳහා සමාලෝචිත වර්ෂයට අදාළ පොලිය රු.1,023,996,212 ක් ඇතුළුව 2016/2017 වර්ෂයේ සිට 2020/2021 වර්ෂය දක්වා කාලය තුළ ප්‍රාග්ධනික කර තිබුණු පොලිය රු.2,495,445,472 ක් සඳහා දළ වශයෙන් ගණනය කර ගෙවන ලද පොලිය රු.309,284,541 ක් බවට නිරීක්ෂණය විය. මේ අතරින් 2020 අප්‍රේල් 01 දිනට ශේෂය රු.1,504,263,374 ක් වූ ණය පහසුකම් දෙකක් වර්ෂය තුළ සම්පූර්ණයෙන් ගෙවා පියවීමට තිබිය දී, ඊට අදාළව පෙර වර්ෂයේ පොලිය රු.757,584,137 ක් හා සමාලෝචිත වර්ෂයේ පොලිය රු.250,472,158 ක් වශයෙන් පොලී එකතුව රු.1,008,056,295 ක් ප්‍රාග්ධනික කර ඊට අදාළව රු.176,216,597 ක අමතර පොලියක් ද ගණනය කර ගෙවා තිබුණු අතර සමාලෝචිත වර්ෂය තුළදී අවශ්‍යතාවයක් නොමැතිව එම ණය පහසුකම් දෙක යටතේ පිළිවෙලින් සියයට 24 ක් බැහින් රු.250,000,000 ක් හා සියයට 20 ක් බැහින් රු.200,000,000 ක් වශයෙන් එකතුව රු.450,000,000 ක තවත් ණය මුදලක් ලබාගෙන ඒ සඳහා රු.57,000,000 ක පොලියක්ද සමඟ සම්පූර්ණ ණය හා පොලී මුදලම ආපසු ගෙවා තිබුණි.
- (එ) සමාගම සතුව ඇති නිල නිවාස 226 කින් නිල නිවාස 207 ක ද, නේවාසිකාගාර 07 කින් නේවාසිකාගාර 05 ක ද සමාගම ආරම්භයේ සිටම අනවසර පදිංචිකරුවන් පදිංචි වී සිටිය ද ඒවා අත්පත් කර ගැනීමට අවශ්‍ය ක්‍රියාමාර්ග ගෙන නොතිබුණි.
- (ඒ) සමාගම විසින් 2020 මාර්තු 01 දින සිට 2020 ඔක්තෝබර් 22 දින දක්වා කාල පරිච්ඡේදය තුළ මොලෑෂස් භාවිතය මත ගෙවිය යුතු බදු මුදල් නියමිත දිනට නොගෙවා ප්‍රමාද කර ගෙවීම හේතුවෙන් ගෙවීමට සිදු වී තිබූ රු.1,149,146 ක ප්‍රමාද ගාස්තුව කළමනාකරණ අකාර්යක්ෂමතාවය මත සමාගමට වූ පාඩුවක් බවට නිරීක්ෂණය කෙරේ.
- (ඔ) සමාගමේ කර්මාන්තශාලාවේ උත්පාදන බලාගාරයක් (Co – Generation Power Plant) ස්ථාපිත කිරීම සඳහා කොටස්කරුවන්ගේ සම්බන්ධිත පාර්ශවයකින් සියයට 18 ක පොලියකට ලබාගන්නා ලද රු.378,000,000 ක ණය මුදලක් උපයෝගී කරගෙන වින සමාගමක් වෙත රු.385,582,865 ක මුදලක් ගෙවා තිබුණු අතර සමාලෝචිත වර්ෂය අවසානයට ව්‍යාපෘතියට අදාළව ගිණුම්ගත මුදු මුදල රු.425,915,461 ක් විය. එසේ වුවද, කොන්ත්‍රාත්කරු තෝරා ගැනීමේදී රජයේ ප්‍රසම්පාදන මාර්ගෝපදේශ සංග්‍රහය අනුගමනය නොකිරීම හේතුවෙන් මෙම ව්‍යාපෘතිය අරපිරිමැසුම්දායී එකක් බවට සනාථ කළ නොහැකි වන අතර උත්පාදනය කරනු ලබන විදුලිය අලෙවි කිරීම සඳහා ලංකා විදුලි බල මණ්ඩලය සමඟ ගිවිසුමකට එළැඹ නොතිබීම, 2021 ජුනි 08 දිනට මාස 19 ක ගිවිසුම් කාලය අවසන් වී තිබුණ ද, ව්‍යාපෘතිය ආරම්භ කර නොතිබීම,

විදේශ මුදලින් ගෙවීම් කිරීම සඳහා ශ්‍රී ලංකා මහ බැංකුව සමඟ එකඟතාවයකට නොපැමිණීම යනාදී කරුණු හේතුවෙන් වැය කළ මුදල අනාර්ථක වියදමක් වියහැකි බවට නිරීක්ෂණය කෙරේ.

(ඕ) කිලෝවොට් 2000 ක පැනල 3739 ක් සහිත සූර්ය බල පද්ධතියක් (Solar Photovoltaic Roof Top System) සැලසුම් කර ආරම්භ කර ඒ සඳහා පුද්ගලික සමාගමක් වෙත 2021 අප්‍රේල් 03 දින සිට 2021 දෙසැම්බර් 21 දින දක්වා කාලය තුළ රු.346,143,333 ක් ද, මෙම ඉදිකිරීමට අදාළ ජාල සම්බන්ධතාවය ලබා ගැනීම සඳහා සමාලෝචිත වර්ෂයේදී ලංකා විදුලි බල මණ්ඩලයට රු.7,279,540 ක් ද ගෙවා තිබුණි. එසේ වුවද, සමාගම විසින් ප්‍රසම්පාදන කටයුතු සඳහා රජයේ ප්‍රසම්පාදන මාර්ගෝපදේශ සංග්‍රහය ද අනුගමනය නොකර ලංසු ලියවිලි සකස් කර කොන්ත්‍රාත්තුව ප්‍රදානය කර තිබීම හේතුවෙන් මෙම ව්‍යාපෘතිය අරපිරීමැසුම්දායී එකක් බවට සනාථ කළ නොහැකි වන අතර මෙමගින් ජනනය වන විදුලිය ලංකා විදුලි බල මණ්ඩලයට අලෙවි කිරීම සඳහා එම මණ්ඩලය සමඟ ගිවිසුමකට එළැඹ නොතිබීමෙන් අපේක්ෂිත ප්‍රතිලාභ ලබා කරගෙන නොමැති බවට ද නිරීක්ෂණය කෙරේ.

3. වෙනත් විගණන නිරීක්ෂණ

(අ) 2020 අප්‍රේල් 01 දිනට රු.8,272,917,286 ක් වූ සමාගමේ මුළු ණය ශේෂය 2021 මාර්තු 31 දින වන විට රු. 9,670,304,733 ක් දක්වා රු.1,397,387,447 කින් හෙවත් සියයට 17 කින් ඉහළ ගොස් තිබූ අතර වර්ෂය තුළදී රු.5,254,716,773 ක ණය ආපසු ගෙවා තිබියදී රු.4,978,220,000 ක ණය ලබා ගැනීමත්, සම්බන්ධිත පාර්ශවයක් වූ LOLC Factors Ltd ආයතනයට ගෙවිය යුතු ණය පොලිය රු.1,673,884,221 ක් ණය මුදලක් ලෙස ගිණුම්ගත කිරීමත් ඊට හේතු වී තිබුණි.

(ආ) සමාගමේ කොටස්කාර සමාගම් හා එම සමාගම් සම්බන්ධ වෙනත් සමාගම්වලින් සමාලෝචිත වර්ෂය තුළදී ප්‍රාග්ධන ව්‍යාපෘති සඳහා රු.468,000,000 ක්, කාරක ප්‍රාග්ධන අවශ්‍යතා සඳහා රු.1,012,000,000 ක් හා ණය ප්‍රතිමූලනය කිරීම සඳහා රු.1,000,000,000 ක් වශයෙන් එකතුව රු.2,480,000,000 ක් මුදලින් ලබාගෙන තිබුණු අතර වර්ෂය තුළ පොලිය ප්‍රාග්ධනික කිරීම රු.1,673,884,221 ක් විය. මේ ණය සඳහා පොලිය සියයට 16 ත් සියයට 24 ත් අතර පරාශයක පැවති අතර 2021 මාර්තු 31 දිනට කොටස්කාර සමාගම් හා එම සමාගම් සම්බන්ධ වෙනත් සමාගම්වලට ගෙවිය යුතු ඉතිරි ණය ශේෂය සමාගමේ මුලු ණය වටිනාකමින් සියයට 98 ක් හෙවත් රු.9,475,304,733 ක් විය.

(ඇ) සමාගමේ කොටස්කාර සමාගම්වලින් හා ආශ්‍රිත සමාගම්වලින් වෙළඳපොල පොලී අනුපාතයට වඩා ඉහළ සියයට 16 ත් සියයට 24 ත් අතර පොලී අනුපාතයන් යටතේ හා “සම්පූර්ණයෙන්ම ණය පියවා නොමැති නම් ණය දෙන්නාට අවශ්‍ය විටක ණය නියමයන් හා

කොන්දේසි සංශෝධනය කර ණය ගිවිසුම් අළුත් කිරීමට අයිතිය ඇත” යනාදී සමාගමට අවාසිදායක දැඩි ණය කොන්දේසි යටතේ වාර්ෂිකව දිගින් දිගටම ණය ලබා ගැනීමෙන් වාර්ෂිකව අධික මූල්‍ය පිරිවැයක් දැරීමට සිදු වී තිබුණු අතර සමාලෝචිත වර්ෂයේ රු.2,118,837,177 ක් වූ මූල්‍ය පිරිවැය, මුළු වියදමින් සියයට 35 ක් හා මුලු ආදායමින් සියයට 31 ක් විය. 2019/2020 වර්ෂය දක්වා සමාගම අඛණ්ඩව ශුද්ධ අලාභයන් වාර්තා කිරීමටත්, සමාලෝචිත වර්ෂයේ ආදායම පෙර වර්ෂයට සාපේක්ෂව රු.3,000,141,841 ක් හෙවත් සියයට 80 කින් ඉහළ ගොස් තිබියදී ශුද්ධ ලාභය රු.749,367,009 ක් තරම් අඩු වීමටත් මෙම තත්ත්වය හේතු වී තිබුණි.



ඩබ්ලිව්.පී.සී. වික්‍රමරත්න
විගණකාධිපති

GAL OYA PLANTATIONS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>For the year ended 31st March,</i>	Note	2021 <u>Rs.</u>	2020 <u>Rs.</u>
Revenue	6	6,750,272,589	3,750,130,748
Cost of sales		(3,309,274,425)	(2,516,841,474)
Gross profit		3,440,998,164	1,233,289,274
Other income	7	41,810,435	2,193,404
Administrative expenses		(683,550,812)	(609,687,397)
Profit/(Loss) before interest & taxation		2,799,257,786	625,795,282
Finance income		68,946,400	37,798,302
Finance expenses		(2,118,837,177)	(2,093,733,282)
Net finance expenses	8	(2,049,890,777)	(2,055,934,980)
Profit/(Loss) before taxation	9	749,367,009	(1,430,139,698)
Income tax expense	10	-	-
Profit/(Loss) for the year		749,367,009	(1,430,139,698)
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss</i>			
Actuarial gain/(loss) on defined benefit obligations		(7,162,560)	(520,104)
Revaluation Surplus		-	144,094,500
Depreciation on Revalued Asset		(38,315,806)	-
Other comprehensive income for the year, net of tax		(45,478,366)	143,574,396
Total comprehensive income for the year		703,888,642	(1,286,565,302)
Earning/(Deficit) per share (Rs.)	11	7.41	(14.14)

*The accounting policies and notes form an integral part of these financial statements.
Figures in brackets indicate deductions.*



GAL OYA PLANTATIONS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION

<i>As at 31st March,</i>	Note	2021 Rs.	2020 Rs.
ASSETS			
Non - current assets			
Property, plant and equipment	12	1,980,542,631	2,061,154,640
Infrastructure development	13	53,625,868	51,985,064
Right to use land and buildings	14	215,600,000	225,400,000
Capital work in progress	15	441,122,664	3,138,361
Intangible assets	16	1,029,712	1,843,227
Loans given to farmers	17	209,585,120	199,301,030
		<u>2,901,505,995</u>	<u>2,542,822,323</u>
Current assets			
Biological assets	18	21,932,435	22,873,048
Inventories	19	657,824,862	759,515,497
Loans given to farmers	17	426,582,797	341,157,358
Trade and other receivables	20	62,277,835	96,539,302
Amounts due from related parties	21	3,829,876	3,481,444
Income tax receivable		24,330,129	27,051,675
Investment	22	150,000,000	-
Cash and cash equivalents	22	10,346,200	50,633,696
Total current assets		<u>1,357,124,134</u>	<u>1,301,252,019</u>
Total assets		<u>4,258,630,129</u>	<u>3,844,074,341</u>
EQUITY AND LIABILITIES			
Equity			
Stated capital	23	1,011,764,730	1,011,764,730
Accumulated loss		(7,935,198,192)	(8,677,402,641)
Revaluation reserves		105,778,694	144,094,500
Total equity		<u>(6,817,654,769)</u>	<u>(7,521,543,411)</u>
Non - current liabilities			
Interest bearing loans and borrowings	25	5,343,222,180	6,494,664,713
Retirement benefit obligations	24	73,752,753	56,684,818
Finance lease obligations	26	53,609,525	59,585,048
Total non current liabilities		<u>5,470,584,458</u>	<u>6,610,934,579</u>
Current liabilities			
Interest bearing loans and borrowings	25	4,327,082,554	1,778,252,573
Finance lease obligations	26	68,918,647	70,669,841
Trade and other payables	27	604,103,661	810,796,658
Amount due to related parties	28	513,780,393	2,032,120,008
Bank overdraft	22	91,815,187	62,844,095
Total current liabilities		<u>5,605,700,442</u>	<u>4,754,683,174</u>
Total equity and liabilities		<u>4,258,630,129</u>	<u>3,844,074,341</u>

The accounting policies and notes form an integral part of these financial statements.
Figures in brackets indicate deductions.

I certify that the financial statements of the Company comply with the requirement of the companies act No 07 of 2007.

.....
Senior Accountant
(Mr. H. Cyril Gunaratne)

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Approved and signed for and on behalf of the Board;

Galoya Plantations (Pvt) Ltd.

.....
Director
(Mr. W. K. D. T. Abeyratne)
29th October 2021

Galoya Plantations (Pvt) Ltd.

.....
Director
(Ms. R. M. Damitha Rathnayake)



GAL OYA PLANTATIONS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY

	Stated capital Rs.	Revaluation Reserves Rs.	Retained earnings Rs.	Total Rs.
Balance as at 1 st April, 2019	1,011,764,730	-	(7,246,742,839)	(6,234,978,109)
Profit/(Loss) for the year	-	-	(1,430,139,698)	(1,430,139,698)
Other comprehensive income for the year	-	144,094,500	(520,104)	143,574,396
Total comprehensive income for the year	-	-	(1,430,659,801)	(1,286,565,301)
Balance as at 31st March, 2020	1,011,764,730	144,094,500	(8,677,402,641)	(7,521,543,411)
Profit/(Loss) for the year	-	-	749,367,009	749,367,009
Other comprehensive income for the year	-	(38,315,806)	(7,162,560)	(45,478,366)
Total comprehensive income for the year	-	(38,315,806)	742,204,449	703,888,642
Balance as at 31st March, 2021	1,011,764,730	105,778,694	(7,935,198,192)	(6,817,654,769)

*The accounting policies and notes form an integral part of these financial statements.
Figures in brackets indicate deductions.*



GAL OYA PLANTATIONS (PRIVATE) LIMITED
STATEMENT OF CASH FLOW

<i>For the year ended 31st March,</i>	<u>2021</u>	<u>2020</u>
	<u>Rs.</u>	<u>Rs.</u>
Cash flows from operating activities		
Profit/Loss before taxation	749,367,009	(1,430,139,698)
<i>Adjustments for:</i>		
Finance income	(68,946,400)	(37,798,302)
Finance expense	2,118,837,177	2,093,733,282
Depreciation on property, plant and equipment	209,793,482	229,897,851
Amortisation of intangible assets	813,515	836,422
Amortisation of lease hold right	9,800,000	9,800,000
Amortisation of infrastructure development equipment	31,762,010	33,452,681
Impairment of farmer loans	(300,927)	1,969,288
Provision for retiring gratuity	15,721,647	13,239,429
Provision for doubtful debts	3,507,549	115,789
Provision for ENA transfer loss	4,242,801	3,497,122
ESC write-off	2,721,546	-
Operating profit before working capital changes	<u>3,077,319,409</u>	<u>918,603,865</u>
Working capital changes		
(Increase) / decrease in inventories	97,447,834	150,544,789
(Increase) / decrease in biological asset	940,613	(8,364,339)
(Increase) / decrease in trade and other receivables	30,753,918	(13,855,863)
(Increase) / decrease in due from related party	(348,432)	(327,774)
(Increase) / decrease in loan given to farmers	(95,408,603)	(126,414,072)
Increase / (decrease) in trade and other payables	171,282,476	430,310,473
Increase / (decrease) in due to related party	26,849,905	(269,272,242)
Cash generated from operations	<u>3,308,837,119</u>	<u>1,081,224,837</u>
Income tax paid	-	(13,920,476)
Retiring gratuity paid	(5,816,273)	(7,802,103)
Finance expense paid	(2,368,117,949)	(840,770,621)
Net cash from/(used in) operating activities	<u>934,902,898</u>	<u>218,731,637</u>
Cash flows from investing activities		
Interest income received	68,946,400	37,798,302
Acquisition of property, plant and equipment	(167,497,278)	(94,887,563)
Acquisition of intangible assets	-	(49,680)
Additions to infrastructure development	(33,402,813)	(27,716,593)
Investments in capital work-in-progress	(437,984,303)	(1,031,121)
Investments in repurchase agreement	(150,000,000)	-
Net cash flows used in investing activities	<u>(719,937,994)</u>	<u>(85,886,654)</u>
Cash flows from financing activities		
Net Increase/(Decrease) in Lease Liability	(7,726,717)	(39,294,954)
Receipts from borrowings - related companies	2,480,000,000	742,000,000
Repayment of borrowings - related companies	(3,514,931,229)	(764,154,439)
Receipts from borrowings - non related companies	2,498,220,000	1,086,455,617
Repayment of borrowings - non related companies	(1,739,785,544)	(960,807,400)
Net cash from financing activities	<u>(284,223,490)</u>	<u>64,198,824</u>
Net change in cash and cash equivalents during the year	(69,258,587)	197,043,807
Cash and cash equivalents at the beginning of the period	(12,210,399)	(209,254,205)
Cash and cash equivalents at the end of the year (Note 22)	<u>(81,468,987)</u>	<u>(12,210,399)</u>

*The accounting policies and notes form an integral part of these financial statements.
Figures in brackets indicate deductions.*



GALOYA PLANTATIONS (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

1.1 General

Gal Oya Plantations (Private) Limited is a limited liability company incorporated on 11th October, 2006 under the Companies Act No.07 of 2007 and domiciled in Sri Lanka. The Company's registered office is located at 481, T.B.Jayah Mawatha, Colombo 10 and the business office is located at Factory complex, Hingurana, Ampara.

1.2 Principal activities and nature of operation

The Company is engaged in production of Sugar, Extra Neutral Alcohol (ENA), Organic fertilizer and generation of Electricity.

1.3 Parent entity and ultimate parent entity

The main shareholder of the company is the Government of Sri Lanka which owns 51% of the shareholding as at 31st March, 2021. The Company is an associate of LOLC Holdings PLC and Brown & Company PLC. LOLC Holdings PLC holds 26.95% and Brown & Company PLC holds 22.05% of the ordinary shares as at 31st March, 2021.

1.4 Date of authorization for issue

The financial statements of Gal Oya Plantations (Private) Limited for the year ended 31st March 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 29th October 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The Financial Statements of the Company prepared in accordance with the Sri Lanka Accounting Standards (SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL) and in compliance with the Companies Act No. 07 of 2007.

2.2 Basis of measurement

The financial statements of the company have been prepared on the historical cost basis, except for measurement of the following material items in the Statement of financial position.

- Biological (Standing sugar cane) assets are measured at fair value less cost to sell.
- Retirement benefit obligations are measured at the present value of defined benefit obligations.

2.3 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value of an asset or liability, the Company uses observable market data as far as possible. Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows,

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)



2 BASIS OF PREPARATION (CONTINUED)

2.3 Fair value (Continued)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

2.4 Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entities of the Company operate.

The financial statements are presented in Sri Lankan Rupee, which are the functional currency and the Company's presentation currency. All financial information presented in Rupee has been rounded to the nearest Rupee unless stated otherwise.

2.5 Use of estimates and judgment

The preparation of the financial statements in conformity with SLFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



2 BASIS OF PREPARATION (CONTINUED)

2.5 Use of estimates and judgment (Continued)

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are reviewed on an on-going basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

a) Useful lives of depreciable assets

Management reviews its estimation of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the useful life of certain property, plant and equipment.

b) Impairment

In assessing impairment, management estimates the recoverable amount at each asset or cash-generating unit based on expected future cash flows and uses an appropriate interest rate to discount them. Management makes certain assumptions based on their judgement in forecasting future operating results.

c) Measurement of retirement benefit obligations

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.

d) Biological assets

In measuring fair value of standing cane, management estimates and judgments required for the determination of the fair value.

Market price of the standing cane is obtained from the local market and quality and weight are considered to approximate the Company's standing cane.

e) Farmer loan provision

As farmer loan balances considered as a significant asset in the GOPL statement of financial position, the management has estimated the following provision estimates for doubtful debts on the farmer loans categorized as Medium-Term Loan (MTL) that are aged more than 03 years and Short-Term Loan (STL) that are aged more than 02 years from the financial year respectively.



2 BASIS OF PREPARATION (CONTINUED)

2.5 Use of estimates and judgment (Continued)

e) Farmer loan provision (Continued)

Overdue age	Provision estimates
2 Years	10%
3 Years	25%
4 Years	40%
5 Years	50%
6 Years	60%
7 Years	70%
8 Years	80%
9 Years	90%
More than 10 Years	100%

2.6 Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. Those responsibilities include designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

2.7 Comparative information

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.8 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.9 Offsetting

Assets and liabilities, and income and expenses, are not offset unless required or permitted by SLFRSs.

2.10 Going concern

The management has made an assessment of the Company's ability to continue as a going concern, and they certified that the company has adequate resources to continue in business for the foreseeable future. Therefore, these financial statements are prepared on going concern basis.



3 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company has applied SLFRS 16, which is effective for the annual reporting periods beginning on or after April 1, 2019 for the first time. The Company has not early adopted any other accounting standard, interpretation or amendment that has been issued but not effective.

Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to SLFRS 16, the Company elected to apply the practical expedient to exempt the assessment of which transactions are leases. The Company applied SLFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under LKAS 17 and IFRIC 4 were not reassessed for whether there is a lease under SLFRS 16. Therefore, the definition of a lease under SLFRS 16 was applied only to contracts entered or changed on or after 1st April 2019.

As a lessee

The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under SLFRS 16, the Company recognizes right-of-use assets and lease liabilities for the leases – i.e. these leases are on-balance sheet.

a) Leases classified as operating leases under LKAS 17

Previously, the Company classified property leases as operating leases under LKAS 17. On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1st April 2019. Right-of-use assets are measured at:

- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company applied this approach to all the leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that right-of-use assets are impaired. The Company used the following practical expedients when applying SLFRS 16 to leases previously classified as operating leases under LKAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application.
- did not recognize right-of-use assets and liabilities for leases of low value assets.



3 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Leases previously classified as finance leases

For leases that were classified as finance leases under LKAS 17, the carrying amount of the right-of use asset and the lease liability as at 1st April 2019 are determined at the carrying amount of the lease asset and lease liability under LKAS 17 immediately before that date.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

4.1 Financial instruments

a) Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Trade receivables and related party receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable or related party receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable or related party receivable without a significant financing component is initially measured at the transaction price.

b) Classification and subsequent measurement

4.1.1 Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity instrument; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Financial instruments (Continued)

b) Classification and subsequent measurement (Continued)

4.1.1 Financial assets (Continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.



4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Financial instruments (Continued)

b) Classification and subsequent measurement (Continued)

4.1.1 Financial assets (Continued)

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permit or requires prepayment at an annual amount that substantially represent the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income, are recognised in profit or loss.
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4.1.2 Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.



4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Financial instruments (Continued)

b) Classification and subsequent measurement (Continued)

4.1.2 Financial liabilities (Continued)

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial: asset expire, or it transfers the rights to receive the, contractual cash flows in a transaction in which substantially all of the risks & and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit it or loss.

Off-setting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.2 Leases

The Company has applied SLFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under LKAS 17 and IFRIC 4.

Policy applicable from 1st April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease if the contact conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contact conveys the right to control the use of an identified asset, the Company assesses whether;

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Leases (Continued)

Policy applicable from 1st April 2019 (Continued)

- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - The Company has the right to operate the asset; or
 - The Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1st April 2019.

Policy applicable before 1st April 2019

For contracts entered before 1st April 2019, the Company determines whether the arrangement was or contained a lease based on the assessment of whether;

Fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

The arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met;

The purchaser had the ability to or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;

The purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

Policy applicable from 1st April 2019

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the sit on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Leases (Continued)

As a lessee (Continued)

Policy applicable from 1st April 2019 (Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following;

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments from a change in an index or a rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant, and equipment and lease liabilities in loans and borrowings in the statement of financial position.

Policy applicable before 1st April 2019

In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as a finance lease. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating lease and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the lease term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3. Assets and bases of their valuation

4.3.1. Property, plant and equipment

4.3.1.1. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost Model

The company applies the cost model to all property, plant and equipment except freehold land and buildings; which is recorded at cost of purchase together with any incidental expenses thereon less any accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the assets to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the working condition for its intended use, and borrowing costs if the recognition criteria are met. This also includes cost of dismantling and removing the items and restoring them in the site on which they are located. All items of property, plant and equipment are recognised initially at cost.

Revaluation Model

The company revalue its property, plant & equipment which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

On revaluation of property, plant & equipment, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it off sets a previous decrease in value of the same asset that was recognized in the Statement of statement of profit or loss. A decrease in value is recognized in the statement of comprehensive income where it exceeds the increase previously recognized in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

4.3.1.2. Subsequent cost

The Company recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Company and the cost of the item can be measured reliably. The carrying amounts of the parts that are replaced are recognised from the cost of the assets. The cost of day-to-day servicing of property, plant and equipment are recognised in the income statement as and when incurred.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**4.3. Assets and bases of their valuation (Continued)****4.3.1 Property, plant and equipment (Continued)****4.3.1.3. Derecognition**

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is de-recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively to the financial statements, to increase the relevance and reliability of information provided in financial statements for decision makers if appropriate;

4.3.1.4. Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Depreciation of an assets begins when it is available for use and ceases at the earlier of the date that the assets is disposed. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of lease term. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

The estimated useful lives for the current as follows:

Property, plant and equipment	No. of years
Buildings	30 years
Plant and machinery-factory	12 years
Fleet machinery	4 years
Water purification plant	12 years
Furniture and fittings	5 years
Office equipment	4 years
Agriculture Implement & Equipment	8 years
Bungalow equipment	8 years
Factory Equipment	8 years
Tractors and trailers	6 years
Sugar cane harvester	4 years
Motor cycle	4 years
Computer equipment	4 years
Mobile phones	4 years
GPS Tracking devices	4 years
Intangible asset	4 years
Distillery Plant & Machineries	20 years



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**4.3. Assets and bases of their valuation (Continued)****4.3.1 Property, plant and equipment (Continued)****4.3.1.5. Amortisation of leasehold land, building & Infrastructure development**

The leasehold rights are being amortised in equal amounts over the shorter of lease term and the expected useful life of the assets is as follows.

Class of asset	No. of years
Land & Building	30 years
Permanent land development	30 years
Infrastructure development	04 years

4.3.1.6. Intangible assets

An intangible asset is recognized initially at cost when it is probable that future economic benefits that are attributable to the asset will flow to the Company and when the cost of the asset can be measured reliably. These intangible assets are carried in the balance sheet at cost less accumulated amortization and impairment losses.

All computer software cost incurred, licensed for use by the Company, which does not form an integral part of related hardware and which can be clearly identified, reliably measured and it is probable that they will lead to future economic benefits are included under intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses.

4.3.2. Biological assets

Biological assets comprise nursery and standing cane.

Standing cane is measured at fair value less cost to sell, based on market process available in the local market with adjustments, where necessary, to reflect the differences. Cost to sell of the standing cane includes incremental cost of harvesting, loading and transportation.

Change in fair value of standing cane is recognised in the statement of comprehensive income. Nurseries are valued at cost as a little biological transformation has taken place since initial cost incurrence and the impact of the biological transformation on price is not expected to be material. Cost includes direct and indirect planting cost.

a) Growing crop nurseries

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.

4.3.3. Borrowing cost

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale, are capitalised as a part of the asset.

Borrowing costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the statement of comprehensive income.

The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with LKAS 23 - 'Borrowing Costs'.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3. Assets and bases of their valuation (Continued)

4.3.3 Borrowing cost (Continued)

Borrowing costs incurred in respect of specific loans that are utilised for field development activities have been capitalised as a part of the cost of the relevant immature plantation. The capitalisation will be ceased when the crops are ready for commercial harvest. The amount so capitalised and the capitalisation rates are disclosed in the notes to the financial statements.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in Statement of profit or loss using the effective interest method.

4.3.4. Permanent land development cost

Permanent land development costs are those costs incurred making significant infrastructure development and building new access roads on leasehold lands.

These costs have been capitalised and amortised over the remaining lease period.

4.3.5. Capital work-in-progress

The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses thereon.

Expenditure incurred on capital work-in-progress for permanent nature or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

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

4.3.6. Impairment-Non financial assets

The carrying amount of the Company's non-financial assets, other than inventories are reviewed at each reporting to determine whether there is any indication of impairment. If any such indication exists the recoverable amounts of such assets are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flow that are largely independent from other assets. Impairment losses are recognised in the Statement of profit or loss.

4.3.7. Inventories

Inventories are measured at the lower of cost and net realisable value. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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

Input material, spares and consumables- at actual cost on weighted average basis.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3. Assets and bases of their valuation (Continued)

4.3.7. Inventories (Continued)

Finished goods and work-in-progress (sugar) - At direct material cost, direct labour and appropriate proportion of production overheads & less selling price of by product (molasses)

Molasses-by product- average selling price

As per extra ordinary gazette no 1996/52, 0.1% is considered as a deficiency in stock in a normal course of business which has been provided in preparing accounts.

4.4 Liabilities and provisions

4.4.1 General

Liabilities classified as current liabilities on the statement of financial position are those, which fall due for payment on demand or within one year from the date of the statement of financial position. Non-current liabilities are those balances that fall due for payment after one year from the date of the statement of financial position. All known liabilities have been accounted for in preparing these financial statements. Provisions and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

4.4.1.1 Accounts payables and accrued expenses

Trade and other payables are stated at cost.

4.4.1.2 Provisions

Provisions are made for all obligations existing as at the date of the statement of financial position when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow. All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

4.4.2 Employee benefit

4.4.2.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

All employees who are eligible for Employees Provident Fund and Employees Trust fund are covered by relevant contributions fund to the defined contribution plans and are recognised as an expense in the financial statements when incurred.

4.4.2.2 Defined benefit plans

A defined benefit plan is a post- employment benefit plan other than a defined contribution plan. The liability recognised in the financial statements in respect of defined benefit plans is the present value of the defined benefit obligation as at reporting date. The defined benefit obligation is calculated by a qualified Actuary as at reporting date using Projected Unit Credit method as recommended by LKAS 19. The company expects to carry out actuarial valuation every year.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Liabilities and provisions (Continued)

4.4.2 Employee benefit (Continued)

4.4.2.2 Defined benefit plans (Continued)

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of liability. Provisions has been made in the financial statements for retiring gratuities from the first year of service for all employees.

However, under the payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arise only after the completion of five years continued service. The liability is not externally funded.

With the adoption of LKAS 19 – Employee Benefits, the Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the other comprehensive income as they occur. This has been adopted by the Company with retrospective effect.

4.4.2.3 Short term benefits

Short-term employee benefits and obligations are measured on an undiscounted basis and are expensed as the related services are provided.

4.5 Other receivables

Other receivable balances are stated at estimated amounts receivable after providing for doubtful receivables.

4.6 Cash & cash equivalents

Cash and cash equivalents comprise of cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

Bank overdrafts that are repayable on demand and form an integral part of the Group cash management and are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

4.7 Income tax expense

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in statement of comprehensive income except to the extent that it relates to items recognized directly in the statement of changes in equity.

4.7.1 Current Tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the tax on dividend income.



GALOYA PLANTATIONS (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Income tax expense (Continued)

4.7.1 Current Tax (Continued)

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. 24 of 2017. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue.

4.7.2 Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and tax purposes. Deferred tax is measured at rates applicable to the temporary differences.

No deferred tax liability will be recognised in the financial statements when the brought forward tax losses are in excess of the deferred tax liability recognised.

4.8 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over goods to a customer.

4.9 Expenses recognition

Expenses are recognized in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning 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 income in arriving at the profit for the year.

For the presentation of the Statement of Profit or Loss, the Directors are of the opinion that the nature of the expense's method present fairly the element of the Company's performance, and hence such presentation method is adopted. Preliminary and pre-operational expenditure is recognized in the Statement of Profit or Loss.

4.10 Finance income and finance expenses

Finance income and finance costs include:

- Interest income
- Interest expense

Interest income or expense is recognized using the effective interest method.

The "effective interest rate" is the rate that exactly discounts estimated future cash payment or receipts through the expected life of the financial instrument to:

- The gross amount of the financial asset; or
- The amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to the liability recognition, interest income is calculate by applying the effective interest rate to the amortised cost of the liability.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Finance income and finance expenses (Continued)

However, for financial assets that have become credit-impaired subsequent to the initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation is interest income to the gross basis.

4.11 Foreign currency transaction

Transactions in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rates at the dates of the transactions. All monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the Sri Lankan Rupees at the foreign exchange rate prevailing at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of transactions. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the reporting currency at the exchange rate that prevailed at the date the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the Statement of profit or loss, except for differences arising on the re-translation of available for sale equity investments, a financial liability designated as a hedge of the net investment in a foreign operation or qualifying cash flow hedges, which are recognised in other comprehensive income. Foreign currency gains and losses are reported on a net basis in the Statement of profit or loss.

4.12 Earnings per share

The Company presents basic Earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period.

4.13 Statement of cash flows

The Statement of cash flows have been prepared using the 'Indirect Method' of preparing cash flows in accordance with the LKAS 7 'Statement of Cash Flows.' Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents comprise of cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Related party disclosures

4.14.1 Transactions with related parties

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24. The Pricing applicable to such transactions is based on the assessment of the risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated Customers.

4.14.2 Transactions with key management personnel

According to Sri Lanka Accounting Standard 24 “Related Party Disclosures”, Key management personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors), personnel hold designation of Divisional General Manager and above positions and their immediate family member have been classified as Key Management Personnel of the Company.

The immediate family member is defined as spouse or dependent. Dependent is defined as anyone who depends on the respective Director for more than 50% of his/her financial needs.

4.15 Events after the reporting date

All material post reporting events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

4.16 Commitments and contingencies

All identifiable risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the statement of financial position but are disclosed unless they are remote.

4.17 Amendments to existing accounting standards issued but not yet effective

The following new accounting standards and amendments/ improvements to the existing standards were issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). A number of new standards and amendments to standards are effective for annual periods beginning after 1st January 2020 and earlier application is permitted; however, the Group has not early adopted these new standards/amendments when preparing these consolidated financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

4.17.1 Sri Lanka Accounting Standard – SLFRS 17 “Insurance Contracts”

Accounting Standard - SLFRS 17 “Insurance Contracts”, is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosures. Once effective, SLFRS 17 replaces existing SLFRS 4 “Insurance contracts”. The overall objective of SLFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity’s financial position, financial performance and cash flows.



GALOYA PLANTATIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Amendments to existing accounting standards issued but not yet effective (Continued)

4.17.1 Sri Lanka Accounting Standard – SLFRS 17 “Insurance Contracts” (Continued)

SLFRS 17 is effective for reporting periods beginning on or after 1st January 2023. Early application is permitted, if the entity is applying both Sri Lanka Accounting Standard - SLFRS 9 “Financial Instruments” and Sri Lanka Accounting Standard - SLFRS 15 “Revenue from Contracts with Customers” on or before the date on which it first apply SLFRS 17.



GAL OYA PLANTATIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

5 Appropriateness of going concern assumption

The Company incurred a total comprehensive income of Rs.703,888,642/- for the year ended 31st March 2021 (previous year negative Rs.1,286,565,302/-) and as at the date the liabilities exceeded the total assets by Rs.6,817,654,769/- (previous year Rs.7,521,543,411/-). Although financial performance has improved drastically compared to 2019-20, negative net asset position may indicate an uncertainty about the Company's ability to continue as a going concern.

However, the management has set an action plan with planned investments which will generate positive cash flows and profits in the future and the plans will be monitored by the Board to recoup the losses incurred. The expected profits and the positive cash flows are mainly attributed due to investment on planned ethanol plant and the Company's plantation reaching its desired level of capacity, thereby increased level of Sugar, Extra Neutral Alcohol (ENA), Power and Organic fertilizer production. Further expected new projects such as Co-Generation power plant, Liquor bottling plant, CO2 bottling plant and restructuring of current expensive loan portfolio will ensure robust and positive cash flows for coming years. The management has evaluated the impact of these in profitability and cash flows when making the decision on Company's going concern. Accordingly the Directors are of the view that the Company is able to continue its operation as a going concern.

<i>For the year ended 31st March,</i>		2021	2020
		<u>Rs.</u>	<u>Rs.</u>
6 Revenue			
Sale of Sugar		2,109,755,643	1,436,512,314
Sale of ENA		4,619,439,460	2,301,845,750
Bio-Compost		21,077,486	11,772,684
		<u>6,750,272,589</u>	<u>3,750,130,748</u>
7 Other income			
Income from molasses sales		64,500	1,553,044
Miscellaneous income		378,220	640,360
Income from scrap sales		41,367,715	-
		<u>41,810,435</u>	<u>2,193,404</u>
8 Net finance expenses			
8.1 Finance income			
Interest income - repo investment & savings		471,199	4,578,452
Interest income from farmer loans		68,475,201	33,219,850
		<u>68,946,400</u>	<u>37,798,302</u>
8.2 Finance expenses			
<i>Interest on loans from</i>			
LOLC Holdings PLC		199,154,088	225,097,927
LOLC Factors Limited		1,023,996,212	1,079,602,118
Browns & Company PLC		133,604,672	135,103,343
Commercial Leasing & Finance PLC		37,984,554	47,359,252
LOLC Finance PLC		12,484,812	13,749,371
Seylan Bank PLC		58,129,507	49,169,194
Saakya Capital (Pvt) Ltd		359,386,678	287,499,996
Rahul Capital (Pvt) Ltd		166,056,170	123,500,004
Peoples Bank PLC		16,608,284	27,663,980
Bank of Ceylon PLC		897,159	1,191,290
Hatton National Bank (SAPP/NCRCs)		17,899,291	45,013,947
Lanka Commercial Trading		-	9,999,410
Satya Capital (Pvt) Ltd		31,524,271	-
Danya Capital (Pvt) Ltd		28,078,923	-
<i>Other interest on</i>			
Interest on finance lease obligation		28,366,686	32,640,727
Bank overdraft		4,665,871	16,142,723
		<u>2,118,837,177</u>	<u>2,093,733,282</u>
Net finance income/(expenses)		<u>(2,049,890,777)</u>	<u>(2,055,934,980)</u>
<i>For the year ended 31st March,</i>		2021	2020
		<u>Rs.</u>	<u>Rs.</u>
9 Profit/(Loss) before taxation			
<i>Stated after charging all expenses including the following:</i>			
Depreciation on property, plant and equipment		248,109,288	229,897,851
Amortisation on intangible assets		813,515	836,422
Depreciation on infrastructure development		31,762,010	33,452,681
Amortisation on right to use land and building		9,800,000	9,800,000
Personnel costs (Note 9.1)		699,324,615	526,927,667
External audit fees		912,900	1,766,000
Impairment on farmer loan		(300,927)	1,969,288
9.1 Personnel costs			
Salaries and Wages		294,645,059	247,962,037
Defined contribution plan costs - EPF/ETF		41,888,283	32,422,165
Defined benefit plan costs - retirement benefit		15,721,647	13,239,429
Other staff related expenses		347,069,625	233,304,036
		<u>699,324,615</u>	<u>526,927,667</u>
Number of Staff		1,135	1,069



GAL OYA PLANTATIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March,

	2021	2020
	<u>Rs.</u>	<u>Rs.</u>
10 Income tax expense		
Current tax expense		
Income tax expenses on current year profit (Note 10.1)	-	-
	<u>-</u>	<u>-</u>
10.1 Reconciliation of the accounting profit and tax on current year.		
Profit/(Loss) before taxation	749,367,009	(1,430,139,698)
Non business income	(68,946,400)	(37,798,302)
Aggregate disallowed expenses	1,588,465,217	1,833,886,100
Aggregate allowed deductions	(187,676,456)	(529,249,106)
Unrelieved business losses	(2,081,209,370)	-
Tax loss	<u>-</u>	<u>(163,301,006)</u>
Non business income	68,946,400	37,798,302
Utilisation of tax losses	(68,946,400)	(37,798,302)
Taxable income	<u>-</u>	<u>-</u>
Income tax @ 18%	<u>-</u>	<u>-</u>

10.2 Tax losses carried forward

Tax losses brought forward	7,119,205,978	6,993,703,274
Tax losses arising during the year	-	163,301,006
Utilisation of tax losses against investment income	(68,946,400)	(37,798,302)
Utilisation of tax losses against Business income	(2,081,209,370)	-
Tax losses at the end of the year	<u>4,969,050,209</u>	<u>7,119,205,978</u>

The Company has not received any assessment pertaining to income tax calculation for the tax years 18/19 and 19/20 and its application of tax laws that creates a doubtful event or situation where provision or amendment is required for calculation of income tax given above. Company has used a constant basis in calculating income tax which has been used over the past years unless changes in income tax law which required otherwise.

10.3 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of following items.

Property, plant and equipment	(1,542,358,466)	(1,658,323,769)
Retirement benefit obligations	73,752,753	56,684,818
Tax losses	4,969,050,209	7,119,205,978
Deductible temporary difference	<u>3,500,444,495</u>	<u>5,517,567,028</u>
Applicable Tax Rate	18%	18%
Deferred Tax Asset	<u>630,080,009</u>	<u>993,162,065</u>
	<u>630,080,009</u>	<u>993,162,065</u>

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise the benefit there for.

11 Earning/(Deficit) per share

Earning/(Deficit) per share is calculated by dividing the net profit/(loss) for the year attributable to equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year.

	2021	2020
Profit/(Loss) for the year (Rs.)	749,367,009	(1,430,139,698)
Weighted average number of ordinary shares in issue	101,176,473	101,176,473
Earning/(Deficit) per share (Rs.)	<u>7.41</u>	<u>(14.14)</u>



GALOYA PLANTATIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

12 Property, Plant and Equipment

Cost	Balance as at	Additions	Revaluation	Balance as at	Balance as at	Additions	Split / Transfer	Balance as at
	1 st April 2019			31 st March 2020	1 st April 2020			31 st March 2021
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold								
Buildings	195,174,357	29,256,579	-	224,430,937	224,430,937	40,445,048	-	264,875,985
Permanent land development cost	63,348,553	-	-	63,348,553	63,348,553	-	-	63,348,553
Factory - plant and machinery	902,818,920	70,823,398	-	973,642,318	973,642,318	-	-	973,642,318
Fleet Machinery	17,119,925	-	7,300,000	24,419,925	24,419,925	50,100,000	-	74,519,925
Water purification plant	7,110,486	-	-	7,110,486	7,110,486	-	-	7,110,486
Furniture and fixtures	8,296,304	1,309,299	82,500	9,688,103	9,688,103	1,774,865	(1,923,931)	9,539,037
Office equipment	11,957,423	820,600	48,000	12,826,023	12,826,023	1,517,357	(562,052)	13,781,327
Agriculture equipment	44,684,177	3,394,447	590,000	48,668,624	48,668,624	2,887,735	(16,594,449)	34,961,910
Bungalow equipment	8,423,780	700,335	24,000	9,148,115	9,148,115	1,839,217	(1,510,155)	9,477,177
Factory equipment	86,662,167	8,222,259	-	94,884,426	94,884,426	24,449,532	(1,351,890)	117,982,068
Tractors and trailers	155,429,573	290,000	73,785,000	229,504,573	229,504,573	4,980,000	(175,998)	234,308,575
Sugar cane harvester	2,060,000	-	-	2,060,000	2,060,000	-	-	2,060,000
Motor cycle	7,110,486	-	120,000	7,230,486	7,230,486	-	-	7,230,486
Computer equipment	9,845,509	1,878,600	595,000	12,319,109	12,319,109	1,665,550	-	13,984,659
Mobile phones	1,444,698	3,250	-	1,447,948	1,447,948	-	-	1,447,948
GPS tracking device	2,104,500	-	-	2,104,500	2,104,500	900,000	-	3,004,500
Distillery Plant & Machineries	1,029,877,183	85,436,120	-	1,115,313,302	1,115,313,302	550,975	-	1,115,864,277
	2,546,677,035	202,134,887	82,544,500	2,831,356,422	2,831,356,422	131,110,278	(22,118,475)	2,940,348,226
Leasehold								
Sugar cane harvester	159,036,027	817,000	35,000,000	194,853,027	194,853,027	-	-	194,853,027
Motor vehicles	50,299,336	-	15,300,000	65,599,336	65,599,336	-	-	65,599,336
Infielder with tractors	27,048,757	-	2,000,000	29,048,757	29,048,757	-	-	29,048,757
Tractors	156,034,750	-	9,250,000	165,284,750	165,284,750	36,387,000	-	201,671,750
	392,418,870	817,000	61,550,000	454,785,870	454,785,870	36,387,000	-	491,172,870
Carrying amount at cost	2,939,095,905	202,951,887	144,094,500	3,286,142,292	3,286,142,292	167,497,278	(22,118,475)	3,431,521,095
Accumulated depreciation								
	Balance as at	Charge for the	Revaluation	Balance as at	Balance as at	Charge for the	Split / Transfer	Balance as at
	1 st April 2019	year	Rs.	31 st March 2020	1 st April 2020	year	Rs.	31 st March 2021
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold								
Buildings	11,738,201	6,691,734	-	18,429,935	18,429,935	7,984,128	-	26,414,063
Permanent land development cost	12,669,710	2,111,618	-	14,781,329	14,781,329	2,111,618	-	16,892,947
Factory - plant and machinery	423,493,569	75,398,533	-	498,892,102	498,892,102	72,756,162	-	571,648,263
Fleet Machinery	16,292,659	827,266	-	17,119,925	17,119,925	8,683,626	-	25,803,551
Water purification plant	2,690,043	645,351	-	3,335,394	3,335,394	702,684	-	4,038,078
Furniture and fixtures	6,137,287	819,674	-	6,956,961	6,956,961	962,065	(1,923,932)	5,995,094
Office equipment	5,108,044	2,958,100	-	8,066,144	8,066,144	2,791,465	(557,037)	10,300,573
Agriculture equipment	17,362,874	5,727,920	-	23,090,794	23,090,794	6,212,885	(16,598,618)	12,705,061
Bungalow equipment	5,057,117	782,988	-	5,840,105	5,840,105	959,268	(1,511,001)	5,288,371
Factory equipment	34,368,366	11,304,271	-	45,672,637	45,672,637	12,544,699	(1,351,890)	56,865,446
Tractors and trailers	151,114,202	1,289,599	-	152,403,801	152,403,801	21,336,735	(175,998)	173,564,538
Sugar cane harvester	2,060,000	-	-	2,060,000	2,060,000	-	-	2,060,000
Motor cycle	319,480	-	-	319,480	319,480	37,098	-	356,578
Computer equipment	9,094,372	609,733	-	9,704,105	9,704,105	1,271,030	-	10,975,135
Mobile phones	1,444,698	677	-	1,445,375	1,445,375	813	-	1,446,188
GPS tracking device	1,929,125	175,375	-	2,104,500	2,104,500	14,516	-	2,119,016
Distillery Plant & Machineries	51,398,787	55,230,893	-	106,629,680	106,629,680	55,808,497	-	162,438,177
	752,278,532	164,573,734	-	916,852,266	916,852,266	194,177,289	(22,118,475)	1,088,911,080
Leasehold								
Sugar cane harvester	124,870,448	30,185,706	-	155,056,154	155,056,154	13,570,054	-	168,626,208
Motor vehicles	28,299,335	8,000,000	-	36,299,335	36,299,335	11,824,400	-	48,123,735
Infielder with tractors	21,341,220	4,896,301	-	26,237,521	26,237,521	1,311,236	-	27,548,757
Tractors	68,300,266	22,242,110	-	90,542,376	90,542,376	27,226,310	-	117,768,686
	242,811,269	65,324,117	-	308,135,386	308,135,386	53,931,999	-	362,067,385
Accumulated depreciation	995,089,801	229,897,851	-	1,224,987,652	1,224,987,652	248,109,288	(22,118,475)	1,450,978,465
Carrying amount	1,944,006,104			2,061,154,640	2,061,154,640			1,980,542,631

12.1 Fully depreciated property, plant and equipment

The cost of fully depreciated property, plant and equipment are as follows.

As at 31st March

	2021	2020
	Rs.	Rs.
Furniture and fixtures	3,386,467	5,047,614
Office equipment	2,644,131	551,863
Tractors and trailers	6,163,800	6,163,800
Sugar cane harvester	118,551,367	2,060,000
Computer & accessories	7,929,171	6,613,196
Mobile phones	1,444,698	1,444,698
Agriculture equipment	130,643	882,635
Bungalow equipment	1,817,411	2,320,215
Factory equipment	6,396,502	1,915,930
Infielder with tractors	19,700,746	-
GPS Tracking Devices	2,104,500	2,104,500
	170,269,436	29,104,451



GAL OYA PLANTATIONS (PRIVATE) LIMITED
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13 Infrastructure development

Infrastructure development contain the road, drainage, culvert, gutters development cost which have useful time of 4 years

	Balance as at 1 st April 2020	Additions / transfer	Balance as at 31 st March 2021
Cost			
Infrastructure development	321,208,489	33,402,813	354,611,302
	321,208,489	33,402,813	354,611,302
Accumulated amortization			
Infrastructure development	269,223,424	31,762,010	300,985,434
	269,223,424	31,762,010	300,985,434
Carrying amount	51,985,064		53,625,868

13.1 Fully depreciated Infrastructure development

The cost of fully depreciated infrastructure developments as at the reporting date is as follows:

<i>As at 31st March</i>	2021 Rs.	2020 Rs.
Infrastructure development	263,163,015	227,522,393
Total	263,163,015	227,522,393

14 Right to use land and buildings

	Balance as at 1 st April 2020	Additions / transfer	Balance as at 31 st March 2021
Cost			
Right to use land and buildings	294,000,000		294,000,000
	294,000,000	-	294,000,000
Accumulated amortisation			
Right to use land and buildings	(68,600,000)	(9,800,000)	(78,400,000)
	(68,600,000)	(9,800,000)	(78,400,000)
Carrying amount	225,400,000		215,600,000

Pursuant to the Shareholders Agreement entered into with the Government of the Democratic Socialist Republic of Sri Lanka, the Company obtained the leasehold rights of the land and building at factory complex, Hingurana, Ampara. The said land and building is leased for a period of 30 years from 28th August 2009, and is amortised over the balance lease period.

<i>As at 31st March,</i>	2021 Rs.	2020 Rs.
15 Capital work in progress		
15.1 Fly Ash Control System/Power plant construction		
Balance as at beginning of the year	3,138,361	54,261,477
Additions	422,777,102	1,031,121
Transfer to property, plant and equipment	-	(52,154,237)
Balance as at end of the year	425,915,463	3,138,361
15.2 Building		
Balance as at beginning of the year	-	1,796,485
Additions	7,318,915	-
Transfer to property, plant and equipment	-	(1,796,485)
Balance as at end of the year	7,318,915	-
15.3 Waste Water Treatment Plant		
Balance as at beginning of the year	-	50,044,015
Additions	-	-
Transfer to property, plant and equipment	-	(50,044,015)
Balance as at end of the year	-	-
15.4 ENA Tank/Furnace Oil Tank		
Balance as at beginning of the year	-	3,215,543
Additions	604,664	-
Transfer to property, plant and equipment	-	(3,215,543)
Balance as at end of the year	604,664	-
15.5 Siyambaladuwa Buying Station		
Balance as at beginning of the year	-	854,044
Additions	-	-
Transfer to property, plant and equipment	-	(854,044)
Balance as at end of the year	-	-
15.6 Solar Power Plant		
Balance as at beginning of the year	-	-
Additions	7,283,622	-
Transfer to property, plant and equipment	-	-
Balance as at end of the year	7,283,622	-
	441,122,664	3,138,361



NOTES TO THE FINANCIAL STATEMENTS

16	Intangible assets	Balance as at 1 st April 2020	Additions	Balance as at 31 st March 2021
	Cost	7,702,064	-	7,702,064
	Computer software	7,702,064	-	7,702,064
	Accumulated amortisation			
	Computer software	(5,858,837)	(813,515)	(6,672,352)
		(5,858,837)	(813,515)	(6,672,352)
	Carrying value	1,843,227		1,029,712
16.1	Fully depreciated Intangible assets			
	The management is planning to replace with a new ERP system soon			
	<i>As at 31st March</i>			
	Computer software		2021	2020
	Total		Rs.	Rs.
			4,394,676	4,324,676
			4,394,676	4,324,676
	<i>As at 31st March,</i>		2021	2020
			Rs.	Rs.
17	Loans given to farmers	660,257,031	567,952,504	
	Less: Provision for doubtful debt	(24,089,114)	(27,494,116)	
		636,167,917	540,458,388	
	Amount fall due with in one year	426,582,797	341,157,358	
	Amount fall due after one year	233,674,234	226,795,146	
	Less: Provision for doubtful full debt	(24,089,114)	(27,494,116)	
		209,585,120	199,301,030	
		636,167,917	540,458,388	
18	Biological asset			
	Nursery and standing cane stock	21,932,435	22,873,048	
		21,932,435	22,873,048	
19	Inventories			
	Raw materials	89,127,182	12,707,022	
	Finished goods - Sugar	361,997,000	167,204,313	
	- ENA	-	341,266,217	
	- Bio Compost	3,061,787	3,040,250	
	Molasses	27,491,850	95,698,588	
	Spares and consumables	176,147,042	139,599,107	
		657,824,862	759,515,497	
20	Trade and other receivable			
	Trade receivables (Note 20.1)	914,254	12,140,220	
	Other receivables (Note 20.2)	61,363,580	84,399,082	
		62,277,835	96,539,302	
20.1	Trade receivable			
	National water supply and drainage board	78,870	79,045	
	Employee Welfare & Death Donation Society	52,205	440,600	
	Smallholder Tea and Rubber Revitalization (STARR) Project	783,179	11,620,574	
		914,254	12,140,220	
20.2	Other receivable			
	Advances	29,046,741	35,366,373	
	Prepayments	12,102,449	9,413,100	
	Farmer loan clearing	20,214,390	39,619,608	
		61,363,580	84,399,082	



GAL OYA PLANTATIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

<i>As at 31st March,</i>		2021	2020
		<u>Rs.</u>	<u>Rs.</u>
21	Amounts due from related parties		
	Gal Oya Holdings (Private) Limited	16,222,055	15,873,623
	Less: Impairment for related party receivables	<u>(12,392,179)</u>	<u>(12,392,179)</u>
		<u>3,829,876</u>	<u>3,481,444</u>
22	Cash and cash equivalents		
22.1	Investment		
	Repurchase agreement-BOC	<u>150,000,000</u>	<u>-</u>
		<u>150,000,000</u>	<u>-</u>
22.2	Favourable cash and cash equivalents		
	Cash in hand	287,115	226,001
	Cash at bank	<u>10,059,085</u>	<u>50,407,695</u>
		<u>10,346,200</u>	<u>50,633,696</u>
22.3	Unfavourable cash and cash equivalents		
	Bank overdraft	<u>(91,815,187)</u>	<u>(62,844,095)</u>
		<u>(81,468,987)</u>	<u>(12,210,399)</u>
23	Stated capital		
	Issued and fully paid	% Holding	No of shares
	Ordinary shares		Amount
	Government of Sri Lanka	51%	51,600,000
	LOLC Holdings PLC	27%	27,267,058
	Brown and Company PLC	22%	22,309,412
	Other shareholders	0%	3
	Total		<u>101,176,473</u>
			<u>1,011,764,730</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

<i>As at 31st March,</i>		2021	2020
		<u>Rs.</u>	<u>Rs.</u>
24	Retirement benefit obligations		
	Present value of unfunded gratuity	<u>73,752,753</u>	<u>56,684,818</u>
	Total present value of the obligation.	<u>73,752,753</u>	<u>56,684,818</u>
	Movement in the present value of the defined benefit obligations		
	Balance at the beginning of the year	56,684,818	50,727,388
	Current service cost	9,769,741	7,659,417
	Interest cost	5,951,906	5,580,013
	Actuarial (gains) / losses	7,162,560	520,104
	Benefit paid	<u>(5,816,273)</u>	<u>(7,802,103)</u>
	Balance at the end of the year.	<u>73,752,753</u>	<u>56,684,818</u>
	Expense recognised in the statement of profit or loss		
	Current service cost	9,769,741	7,659,417
	Interest on obligation	5,951,906	5,580,013
		<u>15,721,647</u>	<u>13,239,429</u>
	Expense recognised in the other comprehensive income		
	Actuarial (gains) / losses	<u>7,162,560</u>	<u>520,104</u>
		<u>7,162,560</u>	<u>520,104</u>

As at 31st March 2021 the gratuity liability was actuarial valued under the projected unit credit method by a professionally qualified actuary messers Actuarial & Management consultants (Private) Limited. The required accounting provision of the Company as at 31st March 2021, has been determined on the recommendation on this report. Following key assumptions were made arriving at the above figures.

<i>As at 31st March,</i>		2021	2020
(i)	Rate of discount	8%	10.50%
(ii)	Salary increment rate		
	Executive staff	9%	8%
	Non executive staff	9%	8%
(iii)	Retirement age	55 years	55 years



GAL OYA PLANTATIONS (PRIVATE) LIMITED
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(Note no. 24 continued.)

Sensitivity analysis

Variable changed (while all other assumptions remain unchanged)	Present value of defined benefit obligation (Rs.)
One percentage point increase (+1%) in discount rate	70,968,946
One percentage point decrease (-1%) in discount rate	76,788,540
One percentage point increase (+1%) in salary escalation rate	76,279,715
One percentage point decrease (-1%) in salary escalation rate	71,392,938

As at 31st March,

	2021 Rs.	2020 Rs.
25 Interest bearing loans and borrowings		
From related parties (note 25.1)	6,731,225,216	6,092,272,225
From non related parties (note 25.2)	2,894,079,517	1,649,240,000
Farmer loan reimbursement (note 25.3)	45,000,000	531,405,061
	9,670,304,733	8,272,917,286
Movement of interest bearing loans and borrowings		
<i>From related parties</i>		
Balance as at the beginning of the year	6,092,272,225	5,345,817,374
Loans obtained/Interest capitalized during the year	4,153,884,221	1,510,609,290
Repayment during the year	(3,514,931,229)	(764,154,439)
Balance as at the end of the year	6,731,225,216	6,092,272,225
<i>From non related parties</i>		
Balance as at the beginning of the year	1,649,240,000	1,757,600,000
Loans obtained during the year	2,450,000,000	450,000,000
Repayment during the year	(1,205,160,483)	(558,360,000)
Balance as at the end of the year	2,894,079,517	1,649,240,000
<i>Farmer loan reimbursement</i>		
Balance as at the beginning of the year	531,405,061	297,396,844
Loans obtained during the year	48,220,000	636,455,617
Repayment during the year	(534,625,061)	(402,447,400)
Balance as at the end of the year	45,000,000	531,405,061

The information about repayment period, type of facility, interest rates and security pledge are disclosure in the next page (Note 25.1)

As at 31st March,

	2021 Rs.	2020 Rs.
26 Finance lease obligations		
Balance at the beginning of the year	169,497,403	243,161,489
Lease obtained during the year	86,313,312	-
	255,810,715	243,161,489
Total repayment made	(109,517,700)	(73,664,086)
	146,293,015	169,497,403
Less : Interest in suspense	(23,764,843)	(39,242,514)
Net lease obligation	122,528,172	130,254,889
<i>Payable with in one year</i>	68,918,647	70,669,841
<i>Payable after one year</i>	53,609,525	59,585,048
	122,528,172	130,254,889
27 Trade and other payables		
Trade payables	76,036,229	56,562,981
Other payable (Note 27.1)	528,067,431	754,233,677
	604,103,661	810,796,658
27.1 Other payable		
Other payable	13,944,162	30,891,184
Interest payables	24,732,722	408,264,024
Accrued expenses	489,355,712	315,043,634
WHT Payable	34,835	34,835
	528,067,431	754,233,677
28 Amount due to related parties		
LOLC Holdings PLC	98,277,559	243,956,959
Browns & Company PLC	350,502,148	376,897,476
Commercial Leasing & Finance PLC	-	3,227,397
LOLC Finance PLC	4,229,237	7,485,311
LOLC Factors Ltd	48,964,018	1,174,136,190
Rahul Capital (Pvt) Ltd	-	226,416,674
Danya Capital (Pvt) Ltd	11,807,431	-
	513,780,393	2,032,120,008



GAL OYA PLANTATIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	Repayment period	Type of facility	Interest rate	Security pledged	31st March 2021	31st March 2020
					Rs.	Rs.
25.1 From related parties						
	60 Months	Initial loan	18%	N/A	244,709,070	244,709,070
LOLC Holdings PLC						
	12 Months	Short term loan	18%	N/A	377,964,130	627,000,000
LOLC Holdings PLC						
	60 Months	Initial loan	18%	N/A	335,877,555	335,877,555
Brown & Company PLC						
	24 Months	Factoring facility	18%	Cheque Discounting	3,206,000,000	1,786,743,855
LOLC Factors Limited						
	60 Months	Short term loan	18%	N/A	196,538,192	1,688,103,970
LOLC Factors Limited						
	36 Months	Short term loan	17%	Molasses Stock	149,921,713	200,000,000
Commercial Leasing & Finance PLC						
	36 Months	Term loan	17%	Molasses Stock	44,474,011	-
Commercial Leasing & Finance PLC						
	36 Months	Term loan	19%	Molasses Stock	-	12,053,386
Commercial Leasing & Finance PLC						
	36 Months	Term loan	23%	Molasses Stock	-	7,383,777
Commercial Leasing & Finance PLC						
	6-21 Months	Short term loan	AWPLR + 2%	ENA stocks worth of Rs.572 Million	533,900,000	482,000,000
Sejlan Bank PLC						
	60 Months	Term loan	21%	N/A	42,816,888	58,400,612
LOLC Finance PLC						
	24 Months	Short term loan	19%	N/A	605,023,658	650,000,000
Rahul Capital (Pvt) Ltd						
	12 Months	Short term loan	16%	N/A	1,000,000,000	-
Danya Capital (Pvt) Ltd						
					6,731,225,216	6,092,272,225
25.2 From non related parties						
Peoples Bank	3 Months	Short term loan	AWPLR + 2.5% p.a	Corporate guarantee from Brown & Company PLC	150,000,000	142,440,000
Peoples Bank	24 Months	Term loan	AWPLR + 2.5% p.a	Corporate guarantee from Brown & Company PLC	-	6,800,000
Shakya Capital (Pvt) Ltd	24 Months	Short term loan	19%	N/A	744,079,517	1,500,000,000
Satyva Capital (Pvt) Ltd	12 Months	Short term loan	16%	N/A	2,000,000,000	-
					2,894,079,517	1,649,240,000
25.3 Farmer Loan Reimbursement						
Bank of Ceylon	36 Months	Short term loan	6.50%	MOU	-	8,155,944
Haiton National Bank - SAPP	12 Months	Short term loan	6.50%	Corporate guarantee from Brown & Company PLC	-	523,249,117
Haiton National Bank - NCRCS	12 Months	Short term loan	4.00%	Corporate guarantee from Brown & Company PLC	45,000,000	-
					45,000,000	531,405,061
				Total	9,670,304,733	8,272,917,286
				Payable within one year	4,327,082,554	1,778,252,573
				Payable after one year	5,343,222,180	6,494,664,713
					9,670,304,733	8,272,917,286



GAL OYA PLANTATIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

29 Related party disclosures

(i) Parent and ultimate controlling party

Main shareholder of the Company is the Government of Sri Lanka which owns 51% of ordinary shares as at 31st March 2021.

The Company is an associate of LOLC Holdings PLC and Browns & Company PLC. LOLC Holdings PLC holds 26.95% and Browns & Company PLC holds 22.05% of the ordinary shares as at 31st March 2021.

(ii) Transactions with key management personnel

Key management personnel include all members of the Board of Directors of the Company having authority and responsibility for planning directing and controlling the activities of the Company as well as the subsidiaries, directly or indirectly.

Mr K.A.K.P. Gunawardana and Mr. W.K.D.T. Abeyrathne, directors of the company and also directors of the Management Company of Gal Oya Holdings (Pvt) Ltd.

Mr. W.K.D.T. Abeyrathne, a director of the company is also a director of the Browns & Company PLC.

Mr. K.A.K.P. Gunawardana, a director of the company is also a director of the LOLC Factors Ltd.

Mr. K.A.K.P. Gunawardana, a director of the company is the CEO & Principal Officer of the LOLC General insurance Ltd.

(iii) Loans to directors

No loans have been given to the directors of the Company.

(iv) Key Management of Personal Compensation

Paid Rs 736,650/- to Mr. Gayan Dissanayake (Chairman) for six month period.

(v) Transaction with related companies

The Company has a related party relationship with its related group companies. The following transactions were carried out with related parties during the year ended 31st March 2021.

30 Related party disclosures are as follows :

Name of Company	Relationship	Nature of business	Nature of transaction	Amount involved	Balance due to / (from) 2021	Balance due to / (from) 2020
Gal Oya Holdings (Pvt) Ltd	Subsidiary of LOLC Group	Management company	Expenses reimbursement	(348,432)	(3,829,876)	(3,481,444)
Browns & Company PLC	Subsidiary of LOLC Group	Conglomerate - Trading & Manufacturing	Interest costs	133,604,672	686,379,703	712,775,031
			Interest paid	(160,000,000)		
			Purchases	233,403,842	3,097,653	13,168,314
			Payment for the Purchase	(243,474,503)		
LOLC Holdings PLC	Holding Entity of LOLC Group	Conglomerate	Interest costs	199,154,088	720,950,759	1,115,666,029
			Borrowing cost capitalization	23,454,833		
			Interest paid	(368,288,322)		
			Loan obtained	378,000,000		
			Loan repayment	(627,035,870)		
Commercial Leasing & Finance PLC	Subsidiary of LOLC Group	Non-Banking Financial Institution	Interest costs	37,984,554	194,395,724	222,664,560
			Lease interest	2,450,338		
			Interest paid	(41,211,951)		
			Lease interest paid	(2,450,338)		
			Loan repayment	(25,041,439)		
LOLC Factors Limited	Subsidiary of LOLC Group	Factoring	Interest costs	1,023,596,212	3,445,502,210	4,648,984,015
			Interest costs transfer to loan	(1,673,884,221)		
			Interest paid	(475,284,163)		
			Interest costs capitalised as Loan	1,673,884,221		
			Loan obtained	530,000,000		
			Loan Repayment	(2,282,193,854)		
LOLC Finance PLC	Subsidiary of LOLC Group	Non-Banking Financial Institution	Interest costs	12,484,812	47,046,125	65,885,923
			Interest paid	(10,820,536)		
			Loan repayment	(15,583,724)		
			Lease Interest	22,748,692		
			Lease Interest Paid	(27,669,043)		
Seylan Bank PLC	Associate of LOLC Group	Commercial Bank	Interest costs	58,129,507	533,900,000	482,000,000
			Interest paid	(58,129,508)		
			Loan obtained	572,000,000		
			Loan repayment	(520,100,000)		
LOLC General insurance Ltd	Subsidiary of LOLC Group	General Insurance	Services	10,265,463	6,128	49,002
			Payment for the Services	(10,308,338)		
Rahul Capital (Pvt) Ltd	KMP	Investment company	Interest costs	166,056,170	605,023,658	876,416,674
			Interest paid	(392,472,844)		
			Loan repayment	(44,976,342)		
Danya Capital (Pvt) Ltd	KMP	Investment company	Interest costs	28,078,923	1,011,807,431	-
			Interest paid	(16,271,491)		
			Loan obtained	1,000,000,000		
Agstar PLC	Associate of LOLC Group	Manufacturing and Trading of Agric Inputs	Purchases	42,528,750	1,375	-
			Payment for the Purchase	(42,527,375)		

31 Capital commitments

The following commitments for capital expenditure approved by the directors as at 31st March have not been provided for in the financial statements.

As at 31st March.

Approximate amount contracted for but not incurred

	2021	2020
	U.S. Dollars	U.S. Dollars
	2,245	2,241

The above includes commitments for the construction of ENA plant with Naran Lala Private Limited (India).

32 Contingent liabilities

There were no material contingent liabilities outstanding at the reporting date that require disclosure.

33 Litigations or claims

There were no material litigation and claims against the Company which require disclosure in the financial statements.

34 Comparative figures

Comparative information have been restated and reclassified wherever necessary to confirm to the current year's presentation and classification.

35 Director's responsibility

The Board of Directors is responsible for the presentation of the financial statements in accordance with Sri Lanka Accounting Standards.

36 Events after the reporting period

No circumstances have arisen since the reporting date which would require adjustments to or disclosure in the financial statements.

37 Coronavirus (covid 19) - pandemic

Although COVID-19 outbreak has impacted the whole industry, the company manage to run the operations without major impact to the operations.



GALLOYA PLANTATIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

38 Financial instruments

Carrying amounts and fair values of financial instruments

Fair value of financial assets and financial liabilities, together with carrying amount in the Statement of financial position, are as follows:

	Note	Designated at fair value	Loans and receivables	Other financial liabilities	Non financial instruments	Total carrying amount	Fair value		
							Rs.	Rs.	Rs.
As at 31st March 2021									
Financial assets measured at fair value									
Financial assets not measured at fair value									
Trade receivables	20.1	-	914,254	-	-	914,254	-	-	-
Other receivables	20.2	-	61,363,580	-	-	61,363,580	-	-	-
Loans given to farmers	17	-	636,167,917	-	-	636,167,917	-	-	-
Amounts due from related parties	21	-	3,829,876	-	-	3,829,876	-	-	-
Cash and short term deposits	22.1 & 22.2	-	160,346,200	-	-	160,346,200	-	-	-
		-	862,621,828	-	-	862,621,828	-	-	-
Financial liabilities not measured at fair value									
Amount due to related parties	28	-	-	513,780,393	-	513,780,393	-	-	-
Trade and other payables	27	-	-	114,747,948	489,355,712	604,103,661	-	-	-
Bank overdraft and other short term borrowings	22.3	-	-	91,815,187	-	91,815,187	-	-	-
Interest bearing liabilities	25	-	-	9,670,304,733	-	9,670,304,733	-	-	-
Finance lease obligation	26	-	-	122,528,172	-	122,528,172	-	-	-
		-	-	10,513,176,434	489,355,712	11,002,532,147	-	-	-
As at 31st March 2020									
Financial assets measured at fair value									
Financial assets not measured at fair value									
Trade receivables	20.1	-	12,140,220	-	-	12,140,220	-	-	-
Other receivables	20.2	-	84,399,082	-	-	84,399,082	-	-	-
Loans given to farmers	17	-	540,458,388	-	-	540,458,388	-	-	-
Amounts due from related parties	21	-	3,481,444	-	-	3,481,444	-	-	-
Cash and short term deposits	22.1	-	50,633,696	-	-	50,633,696	-	-	-
		-	691,112,829	-	-	691,112,829	-	-	-
Financial liabilities not measured at fair value									
Amount due to related parties	28	-	-	2,032,120,008	-	2,032,120,008	-	-	-
Trade and other payables	27	-	-	495,753,024	315,043,634	810,796,658	-	-	-
Bank overdraft and other short term borrowings	22.2	-	-	62,844,095	-	62,844,095	-	-	-
Interest bearing liabilities	25	-	-	8,272,917,286	-	8,272,917,286	-	-	-
Finance lease obligation	26	-	-	130,254,889	-	130,254,889	-	-	-
		-	-	10,993,889,301	315,043,634	11,308,932,935	-	-	-



GAL OYA PLANTATIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

39 Financial risk management

Overview

The Company has exposure to the following risks from financial instruments:

- 39.1 Credit risk
- 39.2 Liquidity risk
- 39.3 Market risk
- 39.4 Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. All board committees have both executive and non-executive members and report regularly to the board of directors on their activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

39.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligation and arises principally from the company's receivables from customers and investments.

The Company maximum exposure to credit risk on trade receivables as at the year-end based on the carrying value in the Statement of financial position is given below.

	Carrying value	
	31/03/2021	31/03/2020
Trade receivable	914,254	12,140,220
Advances	29,046,741	35,366,373
Prepayments	12,102,449	9,413,100
Farmer loan clearing account	20,214,390	39,619,608
Repurchase agreement-BOC	150,000,000	-
Cash at bank	10,059,085	50,407,695
Cash in hand	287,115	226,001

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Management of credit risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers various statistics and characteristics of the customer base, including the default risk, business relationships with due attention given to past performances, stability in the industry and creditworthiness, as these factors may have an influence on credit risk.

In monitoring customer credit risk customers are grouped according to their business volumes and consider separately for granting credit limits. Based on the volume of the transaction and based on the relationship, the customers are ranked. For the customers who identified as "High risks customers", sales are made once they made an advance or full payment.

The company has established a credit policy under which each new customer is analyzed individually for credit worthiness. Credit limits are established for each customer and these limits are reviewed frequently.

The following steps also taken to reduce the credit risk.

- 1) Outstanding credits are followed up on a daily basis
- 2) Opting for legal action for customers defaulting settlements.

Impairment

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures based on aging of the outstanding.



GAL OYA PLANTATIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

39.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company continuously prepares and monitors rolling cash flow forecasts to ensure it has sufficient cash to meet operational needs. Regular reviews are also carried out to check actual performance against budgeted targets.

39.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Interest rate risk

Interest rate risk is the risk of fluctuation of the value or cash flows of an instrument due to changes in the market interest rates.

In order to reduce the interest rate risk, the company implements the following strategies.

- 1) Company debt has been structured through fixed interest rates in order to manage the volatility in the market.
- 2) Work towards the low gearing ratio.
- 3) Internal funding sources rather than the external funding sources.
- 2) Proper mechanism to monitor the fluctuations in interest rates.

39.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's involvement with regard to operational activities, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management of the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- 1) Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- 2) Requirements for the reconciliation and monitoring of transactions;
- 3) Compliance with regulatory and other legal requirements;
- 4) Documentation of controls and procedures;
- 5) Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- 6) Requirements for the reporting of operational losses and proposed remedial action;
- 7) Development of contingency plans;
- 7) Training and professional development; and
- 8) Ethical and business standards



Corporate Information

GAL OYA PLANTATIONS (PVT) LTD

LEGAL FORM	:	A Private Limited Liability Company incorporated in Sri Lanka on 11 th October 2006	
COMPANY REG.NO.	:	PV 7601	
REGISTERED OFFICE	:	481 T.B. Jayah Mawatha, (Darley Road) Colombo10. Tel.: 011 5063000, Fax: 011 2307380	
DIRECTORS (As at 31st March 2021)	:	K.A.K.P. Gunawardena	- Director
		W.K.D.T Abeyrathne	- Director
		W.Batagoda	- Director
		L.Bandaranayake	- Director
		K.B.Kotagama	- Director
		Gayan Dissanayake	- Director
		Mrs.M.D.K.Rathnayake	- Director
		Dr.Asiri Dissanayake	- Director
		H. R. V. P. Wijewardhana	- Director
AUDITORS	:	Auditor General Auditor General's Department Colombo.	
SECRETARIES	:	L O L C Corporate Services (Pvt) Ltd 100/1, Sri Jayawardenapura Mawatha, Rajagiriya.	

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at Marcopolo, Excel World, No.338, T.B. Jayah Mawatha, Colombo 10 on 26th May 2023 at 6.30 pm.

The business to be brought before the meeting will be:

1. To receive and consider the Report of the Directors and the Audited Financial Statements of the Company for the Financial Year ended 31st March 2021 with the Auditors' Report thereon.
2. To re-appoint the Auditor General's Department as the Auditors of the Company for the ensuing year.
3. To authorize the Directors to fix the remuneration of the Auditors.
4. To authorize the Directors to determine the Donations for the ensuing year.

By Order of the Board

L O L C Corporate Services (Pvt) Ltd
Secretaries
Colombo.

Notes

1. A member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote in his stead.
2. A proxy need not be a member of the Company. A Form of Proxy is found at the end of this Report.
3. The instrument appointing such a proxy must be deposited at No.34, Sir Mohamed Macan Markar Mawatha, Colombo 3, not less than 48 hours before the time appointed for the holding of the meeting.

Form of Proxy

GAL OYA PLANTATIONS (PVT) LTD - Reg. No. PV 7601

I/We.....of.....
.....being a
member/members of the above named Company hereby appoint,

G. Dissanayake	or failing him
K.A.K.P. Gunawardena	or failing him
D. Abeyrathne	or failing him
W. Batagoda	or failing him
Dr. P.S.H.Uluwaduge	or failing him
Ms. R.M.D. K.Rathnayake	or failing her
S.H.S. Senevirathne	or failing him
T.A.C.P. Thewarapperuma	or failing him

Mr/Mrs/Miss.....
of.....
as my/our proxy to represent me/us and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the 26th day of May 2023 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Signed this.....day of2023

.....
Signature/s

Please provide the following details :

Shareholder's NIC No.
Share Certificate No.
No. of shares held
Proxy holder's NIC No.

(if not a Director of this Company)

Notes:

1. The full name and the registered address of the shareholder appointing the proxy should be legibly entered in the form of proxy.
2. If the Form of Proxy is signed by an Attorney, the relative Power of Attorney should accompany the Form of Proxy for registration, if such Power of Attorney has not been registered with the company.
3. In the case of a company/corporation, the proxy must be under its Common Seal or signed by a duly authorized officer of the company/corporation in accordance with its Articles of Association.
4. In the case of joint-holders, the senior should sign this form. Seniority shall be determined by the order in which names stand in the Register of Members in respect of the joint holding.
5. Every alteration or addition to the form of proxy must be duly authenticated by the full signature of the person signing on the form of proxy.
6. To be valid the completed Form of Proxy should be deposited with the Secretaries at No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 3, not less than 48 hours before the time appointed for the holding of the meeting.



Galoya Plantations Private Limited,
Hingurana, Ampara, Sri Lanka
T. +94 63 3128314 F. +94 63 2240199
www.galoya.lk